

JPRS 76707

27 October 1980

West Europe Report

No. 1645



FOREIGN BROADCAST INFORMATION SERVICE

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27 October 1980

WEST EUROPE REPORT

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THEATER NUCLEAR FORCES

DENMARK

RADICAL LIBERALS' CONGRESS VOWS ROLE IN DEFENSE DECISIONS

Resolution on Defense

Copenhagen BERLINGSKE TIDENDE in Danish 22 Sep 80 p 5

[Article by 'G.A.': "Radicals Always Want To Be Included in Defense Discussions"]

[Text] The Radical Liberal Party wants always to be included in discussions of the future defense setup, but they make such far-reaching demands that it does not appear very likely that they will participate in any future agreement. The resolution which was agreed to yesterday by the party's deputies at the national congress of the Radicals in Nyborg conforms, in general, with the arrangement the party's Folketing group had set up as a directive for its participation in the defense discussions.

But in the final word! of the resolution the national congress emphasized and spelled out its demand for a reduction of military expenditures to a greater extent than the party's leadership had suggested in its first draft.

A proposal by the Frederiksberg County that an alternative security policy which would result in Denmark's withdrawal from NATO should be drawn up was rejected in the balloting on a foreign-policy program. Instead, a milder wording was accepted in which an alternative Danish security policy without reference to NATO was proposed.

The Radical Liberal Party's defense-policy resolution, which may become an important document during the political discussion at Christiansborg in the coming months, contains a demand that appropriations for military purposes be cut back and that the government at least be held to the so-called "no-growth solution." But the part will only cooperate in putting the "no-growth solution" through if a number of other conditions are met, including the rejection of an increase in NATO depots in Denmark.

Appeal to Socialists' Left Wing

Copenhagen BERLINGSKE TIDENDE in Danish 22 Sep 80 p 5

[Article by "J.B.": "An Appeal to the Left Wing of the Social Democratic Party"]

[Text] The Radical Liberal Party is now appealing directly to the left wing of the Social Democratic Party in the defense discussions. That will be the party's point of departure during the coming discussions.

The party's spokesman on the subject of defense, Jens Bilgrav Nielsen, is making no secret of this since a number of conditions which would have put the party in a position where it was excluded from any discussions were successfully rejected at the party's national congress yesterday.

"The proceedings at the national congress show that the party is in overall agreement with what the Social Democratic congress recently said about defense," Jens Bilgrav Nielsen told the BERLINGSKE TIDENDE.

"I have not the slightest doubt that the Radical Liberals' and the Social Democrats' views of what the defense program should be like in the future are shown, by this means, to be much closer to each other than those of the Social Democrats and the Liberal Party-Conservative People's Party," he said. The national congress made "the rejection of contemplated enlargements of NATO depots in Denmark and of any which are in progress" a condition for coming to an agreement on defense. However, Bilgrav Nielsen says that "it would be going too far to say that failure to fulfill that requirement would exclude us from the negotiations."

In regard to a demand that foreign troops not be stationed in Denmark in the future, Bilgrav Nielsen stresses the fact that they are only thinking of "peacetime" here, in contrast with "times of crisis" or "wartime."

Finally, he regards it as obvious that all parties must support the Radicals' demand for a defense committee. "We have to do that for the simple reason that a so-called 'no-growth solution' such as we are advocating will break up the existing defense structure completely. Quite simply, appropriations for defense will be 30 percent lower than is necessary to support the present program" he concluded.

Nuclear Power With Conditions

Copenhagen BERLINGSKE TIDENDE in Danish 22 Sep 80 p 5

[Article by "J.B.": "Radicals Do Not Want to Reject Nuclear Power"]

[Text] "Nuclear power is certainly entirely superfluous in the Danish energy-supply system. Therefore the Radical Liberal Party's opposition to the building of nuclear power plants in Denmark under the conditions we are familiar with is both responsible and intelligent behavior."

That is the opinion of the Radical Liberal Party's spokesman on energy, Lone Dybkjaer. However, he was not displeased when that party's national congress turned down a proposal for total rejection of nuclear power yesterday in Nyborg Strand.

The latest information on quantities of natural gas, oil, power for heating and continuous energy provides the background for the opinion that Denmark can do without nuclear power entirely.

However, Lone Dybkjaer states that people are not rejecting the importation of nuclear power from other countries when they make such a statement because those countries must determine their own energy policies themselves.

The Radical Liberal Party's energy program relies primarily on a large consumption of coal in power plants. Therefore, Lone Dybkjaer admitted to the BERLINGSKE TIDENDE, the spreading of large quantities of radioactive waste from coal is a problem which has to be solved.

In the area of the central portion of the energy program, the Radical Liberal Party is on a collision course with the government. The party wants decentralized solutions and the influence of the populace, even if they identify themselves with governmental control, for example, in regard to coal in South Africa.

"The consumers are already very much involved in gaining influence at present. Therefore we must consider new structures in the companies concerned with energy, and in that connection we must especially think about cooperative tanks," Lone Dybkjaer says. "Therefore we oppose nationalization, for its results in even greater separation of the consumers from the energy companies."

The Radical Liberal Party has asked the government to improve the legislation concerning nationalized oil and gas enterprises. The party wants to work for a law covering the oil business and a separate law concerned with the management of the D.O.N.G. A/S.

"Furthermore," Lone Dybkjaer concludes, "we now must consider future legislation concerned with how the large public enterprises and projects which are carried out in the present period are to be managed and are to function in the future."

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THEATER NUCLEAR FORCES

PORtUGAL

NATO, MOROCCO, WESTERN SAHARA, POLISARIO FRONT RELATIONSHIPS

16th ATA Madeira Meeting

Lisbon EXPRESSO in Portuguese 30 Aug 80 pp 1, 16

[Interview with Portuguese Atlantic Commission President Bernardino Gomes; date and place not given]

[Excerpt] On the eve of the convening of the ATA's [Atlantic Treaty Association] 16th General Assembly in Funchal next week, the president of the Portuguese Atlantic Commission, Socialist Bernardino Gomes, granted EXPRESSO a lively interview in which he discusses issues relating to the "Soviet strategy and the West," a theme that will be the essential subject at that General Assembly.

Following is the text of this interview, which also enlightens EXPRESSO's readers on the main facets of the important NATO meeting held in our country.

EXPRESSO: How can the president of the Board of Directors of the Portuguese Atlantic Commission summarize the most prominent aspects of the General Assembly of the Atlantic Treaty Association which will open on 3 September?

Bernardino Gomes: The Portuguese Atlantic Commission, which has organized the ATA General Assembly, was created in 1962 and underwent a reorganization after 25 April. It is now an association including personages from the four democratic parties which advocate Portugal's active participation in NATO. An interesting fact is that it has been, and has remained, one of the few national forums in which room for open, constructive dialog among representatives of the four democratic parties has always been possible.

The Portuguese Atlantic Commission is internationally federated into the Atlantic Treaty Association.

The Atlantic Treaty Association was created in 1954, as an international, nongovernmental agency the purpose of which is to foster the discussion

of problems relating to Western defense and, essentially, matters associated with NATO, among the 15 countries which are members of the Alliance. Throughout the past 25 years of activity, the Atlantic Treaty Association and the federated national associations have played a leading role as a national and international pressure group in connection with the various defense problems.

The General Assembly of the Atlantic Treaty Association takes place annually in the capital or a large city of one of the member nations, and is attended by several hundred personages from those countries, as well as experts in International affairs, who discuss a particular issue among themselves.

The topic for this General Assembly, which will take place in Funchal starting on 2 September, will be "Soviet Strategy, the Atlantic and the Defense of the West." The moderators who will introduce the topic and guide the discussion are Prof Osgood of Georgetown University in Washington, for the Economic Policy Committee, and Gen Robert Close, from Belgium, a specialist in defense matters who became renowned in recent years for his book, "Europe Without Defense."

Also in attendance in Madeira will be Mr Joseph Luns, secretary-general of NATO, who will make an assessment of the international situation last year, and the supreme deputy commander of forces in the Atlantic, Sir Cameron Rugby, who will give a briefing on the military situation.

The prime minister, Dr Francisco Sa Carneiro, and the leader of the opposition, Dr Mario Soares, will speak during the General Assembly, in which the foreign affairs minister, Prof Freitas do Amaral, the national defense minister, Eng Adelino Amaro da Costa, and the deputy chief of staff of the Armed Forces, Gen Altino de Magalhaes, will also participate.

Defense of the Moroccan Government and Attack on POLISARIO

(EXPRESSO): The essential theme of the meeting relates to the Soviet strategy in the Mediterranean. From this standpoint, how do you view the recent advances of the POLISARIO Front, the position of Morocco and some recent steps taken in Portuguese foreign policy in this area?

BG: When we hold this year's General Assembly of ATA in Madeira, we want to attest in some degree to the significance that the NATO countries attach to the strategic value of the Portuguese Atlantic islands as an integral part of Western Europe.

Portugal is not a Mediterranean country, but it is a country of Southern Europe and an Atlantic country, whose southern flank has Morocco as a neighboring country. Any political change in Atlantic North Africa has direct implications for Portuguese security and for the stability of the Atlantic islands.

The POLISARIO Front is not the only liberation movement which claims legitimacy from the representation of the nomad populations inhabiting former Western Sahara. How can a population which perhaps does not exceed a few tens of thousands of nomadic people control a territory that is three times the size of Portugal? Added to the fact that it obviously lacks the capacity to control the territory effectively is the struggle among the various countries of the Magreb, concealing interests of powers outside of the African continent.

To create, in the future, additional problems for the Moroccan Government, which is a government included in the Western world (out of all those in Northern Africa, it is surely the one that most closely resembles a Western type democracy such as ours), would be a serious political mistake.

Portugal and the NATO countries can and should contribute to the stabilization and democratic progress of the Moroccan regime, which should be given the means to guarantee its defense, in the strategic context in which it is included. Moreover, we cannot fail to recall the outstanding service rendered to the Western cause by the Moroccan Armed Forces in Africa.

The change in the strategic data in this region could perhaps increase the specific weight of Portugal in Western defense, but it would entail a serious and immediate threat to national security, and might even jeopardize the national sovereignty in the strategic Atlantic triangle.

EXPRESSO How do you view the recent events in Iran and Afghanistan?

BG: They are obviously events of different kinds.

In Iran, the social explosion has features of a nationalist and religious nature, which are linked to the Iranian cultural traditions, and which were directed against an oppressive regime that was attempting to impose an economic and cultural model obviously not geared to the local realities.

In Afghanistan, the Soviet influence has increased in a completely perceptible manner in recent years, and ended with the military invasion of the country by Soviet troops.

The first observation is that the West was incapable of foreseeing, sufficiently in advance, both the evolution in Iran and the Soviet strategy in Afghanistan and the region. It also appears to have lacked sufficient credibility to engage in action more in keeping with the defense of its interests. And I am talking about the West, not just the United States.

The fact is that Europe and Japan must have broader international responsibilities. The United States cannot be required, by itself, to guarantee the security of the entire Western world. It is essential to reconsider the role of NATO and to reconsider the Western strategy toward the Eastern bloc in the light of the new worldwide realities. The West as a bloc must have a worldwide policy.

And it is not only the Persian Gulf that is involved. The action of the West in response to Soviet world strategy and the constant reinforcement of the Soviet military capacity can only be that of a response through a global strategy and with means of defense that can keep the system in a state of balance.

An international system in a state of imbalance is a constant factor for tension. Only when there is a balanced global system can disarmament be discussed in terms that will not jeopardize the democratic societies.

POLISARIO-Morocco Geopolitical Relationship

Lisbon EXPRESSO in Portuguese 11 Sep 80 p 10

(Article by Portuguese Committee for the Support of the POLISARIO Front member Luis Notts, in rebuttal to Bernardino Gomes interview)

[Text] In its issue of 30 August, EXPRESSO very prominently published an interview with Dr Bernardino Gomes, member of the Socialist Party and president of the Portuguese Atlantic Commission, in connection with the convening, in Funchal, of the General Assembly of the Atlantic Treaty Association.

A great deal of comment could be made on these statements regarding the general problems of foreign policy and, in particular, the notions of strategy and defense expressed therein. However, owing to their flagrant seriousness, we feel that we cannot fail to make strong criticism of the assertions regarding the conflict in North Africa, in which the Saharan people are opposing the Moroccan regime. We have read and heard much about that conflict, and several historical, legal and political interpretations have been published concerning the facts involved; but we have seldom seen such biased, below-groundless statements. In our opinion, Dr Bernardino Gomes' position does not allow his such imprudence, if not irresponsibility.

The subject of the interview claims: "The POLISARIO Front is not the only liberation movement which claims legitimacy from the representation of the nomad populations inhabiting former Western Sahara." This is a revelation which deserves to be featured on the front pages of the great press! We learn that, in addition to the POLISARIO Front, there are one or more movements fighting for the liberation of Western Sahara, of which no one has ever heard tell. Unless Dr Bernardino Gomes was referring to AOSARIO [Association of Natives of Saguis El Hamra and Rio de Oro], which apparently sent a delegation to Lisbon a few weeks ago. If so, we explain that, even though AOSARIO may exist and is not mere Moroccan fiction, it cannot be considered a "liberation movement" precisely because it defends the annexation carried out by Morocco. In any event, we have our doubts: In the view of Dr Bernardino Gomes, is what is happening in Western Sahara a matter related to the liberation of a people, or is it not? If so, the Moroccan thesis is false; if not, why cite the existence of liberation movements?

immediately thereafter he brings up the demographic argument: "How can a population which perhaps does not exceed a few tens of thousands of nomads people control a territory that is three times the size of Portugal?" Dr Bernardino Gomes must surely not be unaware that there has not been a census of the Saharan population, and that there is a controversy about its size, so much so that he cautiously introduces a "perhaps" in his statement. He should now embark on an argument, although we know that the POLISARIO Front counts in several hundred thousand inhabitants scattered throughout the areas still occupied by the invader, in the liberated zones and in the refugee camps in Algerian territory. Strangely enough, in an attempt to minimize these people, the subject of the interview twice mentions "nomads." And he perchance thinks that there is no relationship between nomads and their territory? how he forget that there are African countries in which the majority of the population consists of nomads? For example, in Somalia, a state the legitimacy of which Dr Bernardino Gomes would certainly not question, 60 percent of the population is nomadic, according to recent FAO statistics, and there have been estimates of as much as 80 percent.

More interesting than the figures, however, is the reference to the difficulty or inability of these people to "control" the territory. Is Dr Bernardino Gomes attempting to allude to the density of inhabitants per square kilometer? We admit that this density is slight. Is he, rather, attempting to allude to political, administrative and military "control," concluding that this is an obstacle to independence? If so, it will perhaps suffice to recall that, at the present time, the POLISARIO front has political and social "control" over the overwhelming majority of the Saharan population, and military "control" over nearly all the territory; and has been capable of taking the war inside the borders of the two hostile countries, forcing Mauritania to overthrow President Ould Daddah and to take refuge, and now, as a defense measure, occupying a large strip of southern Morocco, Sidi Ifni Province. Let us agree that, insofar as capacity for control is concerned, this is not insignificant.

After all, the positions of Dr Bernardino Gomes have a rather simple explanation. Even when misrepresenting the facts, he feels obliged to adopt the official theories of Hassan II, because "the Moroccan Government is a government included in the western world (out of all those in Northern Africa, it is surely the one that most closely resembles a Western type democracy such as ours)." Therefore, let us not create "additional problems" for the Moroccan regime: it is included in the "West." The course of the interview does not leave any doubts about the meaning of this term "West": the United States, Western Europe and Japan. They are the three trilateral regions; they are the leading centers of world capitalism. If Morocco is subjugated to these centers, it must be defended, even though the rights of a people, in this case, the Saharan people, are at stake! The hawk in Washington could not have put it better.

As for the notion that Morocco resembles a Western type democracy, because the regime allows political parties like the opposition to His Majesty,

we give a reminder that we have at the disposal of Dr Bernardino Gomes and all those interested some enlightening dossiers on repression in Morocco and the systematic attacks on human rights.

In the logic of the foregoing type of thinking, "Socialist Bernardino Gomes" (sic) draws a conclusion that is worthy repeating: "Portugal and the NATO countries can and should contribute to the stabilization and democratic progress of the Moroccan regime, which should be given the means to guarantee its defense, in the strategic context in which it is included." The seriousness of the assertion also suggests to us a certain number of questions. Is it an invitation for NATO's direct intervention on behalf of Hassan II against the Saharan people and the POLISARIO Front? Or could it rather be an appeal for intensification and providing arms to the Moroccan regime? But has it not been noted that sophisticated weapons have not swayed the resolute determination of that people, just as the French "Mirages" were of no use to Mauritania? As for Portugal, is it being advocated that it abandon its official position of neutrality toward the conflict, and that it back Morocco against Western Sahara? From the context of the interview, may one infer that such backing should be not only political, but military as well? Since the subject of the interview is a member of the Socialist Party, is he speaking on his own behalf or is he expressing a position of his party?

If Bernardino Gomes is playing with fire, His ignorance of the facts could be excused, and the only harm would be in displaying it publicly. But when he makes statements which involve the very existence of a people as an autonomous, independent entity, when he places geostrategic considerations ahead of universally recognized rights, when he calls for military backing for an invading nation, when he suggests essentially negative changes in the foreign policy of his own country, then we do not know how to assess his statements. To involve Portugal in the aggressive adventurism of the most retrogressive Atlantism, and to try to subject it to the logic of the new Americanophile axis of Rabat, Cairo and Tel Aviv, does not seem possible to support even from a right wing perspective.

We add that he chose the occasion poorly. Perhaps his ideas may be echoed at the Funchal Assembly, but it should be remembered that they are absurd when the majority of the African states in the OAU [Organization of African Unity] have just recognized the Saharan Democratic Arab Republic, and when the Moroccan regime itself accepts the principle of negotiating with all the parties involved. Bernardino Gomes' positions are at odds with the views of the UN, the Socialist International and even, recalling recent events, the sensible on the spot observations of a leader of the PSD [Social Democratic Party], Dr Luis Fontoura.

No, Doctor. The POLISARIO Front's battle against the Moroccan invasion is not a mere confrontation between the superpowers, nor a conflict between the Mediterranean countries of the Magreb. The cry that is heard in that desert is that of a people shouting: "No peace or stability until the return to the national territory and to total independence."

POLICE, SECRET SERVICES COLLABORATE TO COMBAT TERRORISM

Paris LE MONDE in French 26 Sep 80 p 23

[Article by James Sarazin]

After merely fighting against the sole effects of terrorism, i.e., the violent actions perpetrated in its name, the European states have belatedly discovered the virtues of information which provides the opportunity to follow a less dangerous preventive policy. Secret services and computers have therefore been put to use (LE MONDE dated 23, 24 and 25 September). Today, they have both begun to eliminate frontiers.

The Club of Bern is certainly the most exclusive ever imagined. Periodically--approximately every 3 months--in an anonymous building of the Swiss capital, it convenes people who, ordinarily, blend into the woodwork: the heads of some 10 western secret services, namely, those of EIC (less Southern Ireland), Israel and, of course, Switzerland. They compare their experiences with terrorism and seek ways of achieving a closer and more fruitful collaboration. France is represented by DST [Directorate of Territorial Surveillance].

At a time when the European judicial domain is mentioned as a vague prospect, the police domain has become a reality. The Alsatians were able to verify this fact as long ago as November 1977 when, after the discovery of Hanns-Martin Schleyer's body--the German "bosses' boss"--in Mulhouse, they saw an army to BKA employees swooped down on their region armed with a computer terminal used to transmit directly to their service headquarters in Wiesbaden the facts gathered on French territory.

They were able to realize it once more late last July after the BKA discovered that the car accident suffered by two sought-after terrorists--Wolfgang Beer and Juliane Plambeck--near Karlsruhe aborted an attempt planned against the federal attorney general: policemen distributed to Alsatian drivers handbills bearing the other accomplices' pictures.

Almost institutional ties actually exist among the European police--and not only in the West. Horst Herold, the head of BKA, explained, for example, that, in Bulgaria, some of his men helped with the arrest of Willi Meyer and several of his comrades from the Rote Armee Fraktion [RAF] and that other German policemen helped their Yugoslav colleagues when four other RAF members were arrested. (A CIA study even asserts that, in 1978, the German minister of the Interior met Colonel Qaddafi to attempt to initiate cooperation between FRG and Libya against terrorism.) Herold stated further: "Our closest ties are with Switzerland and Austria. But we also maintain close relations with Belgium, Denmark, Italy and France. Some 30 German "hard-core" terrorists were thus arrested abroad over the past few months." (Six French magistrates went to Wiesbaden on several occasions.)

Federal Attorney General Kurt Rehmann justified this collaboration: "In Germany, terrorists who are still at large fled abroad under the pressure of police investigations. They found refuge in the Middle East, Yugoslavia and even France, we have seen it." We actually saw it with the death of Wolfgang Beer and Juliane Piaseck in a car stolen in France as had been the other three used by the commandos and found abandoned shortly thereafter. We also saw it in April with the five arrests on Flatters Street when the French police acted with little glory. The BKA agents who supervised the operation had arrived with a complete file on the case about which Paris knew very little and they reduced the role of their French colleagues to that of errand boys.

Bonnet Is Not Speaking

Although Rehmann is careful to specify that cooperation with Paris is "based on France's own sovereignty" and that "French police and justice are not BKA's lackeys," some phases of the joint work could surprise, even shock, a punctilious jurist. For example, for several weeks, at the beginning of the year, grabologists from the German police came to Orly to examine closely the landing passes collected by their French colleagues from the Air and Border Police (PAF)--through which, it is said, they "reclaimed" some 10 terrorists and sympathizers. Likewise, French police employees have currently been instructed to take a census of Germans living in France. The result of their census is to be sent to Wiesbaden.

Christian Bonnet, the French minister of the interior, refuses to give any explanation about these, or many other, issues. He is the only one of the European ministers of the interior to refuse to answer any questions on terrorism and anti-terrorism judging it inopportune to speak about this issue at this time. It is therefore impossible to know how, on the French side, notions of collaboration among police will be made to cohabit with notions of national sovereignty. It is also impossible to know if the French cooperation effort is "all encompassing" or, at best, guided by some interest or other. For, at the other end of the West European continent, Juan José Rosón, the Spanish minister of the interior, was bitterly complaining about the laxity of France which shelters with much impunity ETA's [Basque

Fatherland and Liberty group] leaders (according to him, 30 to 50 people); allows entry of the ETA-collected "revolutionary tax" on its territory; and, at times, even shields training camps.

Rosan explained: "We have located where some of ETA's leaders live. We have re-constituted the financial network of the 'revolutionary tax.' We gave all this information to the French government which did nothing. It did not even take pains to apply its laws governing financial violations which would provide the opportunity to stop the entry into France of funds used by ETA to prepare and implement its attempts."

In spite of a few unavoidable difficulties of this sort, the "Europolice" is, on the whole, operating to everyone's satisfaction. From Madrid to Bonn and Rome, cooperation is judged to be necessary and Virgilio Rognoni, the Italian minister of the interior, would even like to see a session of the European Parliament devoted to terrorism. Lately, since it cannot count on Interpol—the international criminal police organization which, as a rule, refrains from becoming involved in political, philosophical, religious and military issues—Europolice has even acquired a structure to make long-lasting a cooperation which until now was only episodic: it is the TREVI [International Terrorism, Radicalism and Violence] system.

Since 1977, each of the police belonging to the TREVI system—in this case, the Common Market's Nine—set up a coordinating bureau in charge of ensuring continuity to coordination on a daily basis (when police chiefs meet every 6 months). The French bureau is located near the Champs Elysées, but cannot be found in any of the official organizational charts.

You scratch My Back and I'll Scratch Yours

Working under the "defense secrecy" seal, the special services worry even less about the officialization of a cooperation whose Club of Bern is only an aspect. Western services always worked hand in hand in the name of the good old proverb: "You scratch my back and I'll scratch yours." For example, the French DSI has maintained regular relations with the German BND since 1956; as for the Italian services, they have always operated under CIA's close sponsorship.

Collaboration among the "shadow men" of most Western countries arises from a few, almost general, observations. Firstly—except for a few ideological arguments—European terrorist movements do not submit to a unique strategy which could be defined by some "clandestine conductor" or other. But they do have logistical ties—i.e., arms supplies—and a concern for mutual aid: it is said, for example, that IRA members usually go to Basque-owned villas in Southern Spain to rest and recover from their wounds. Sometimes, leaders schedule summit meetings. One such meeting is said to have taken place in Beirut in September 1978, gathering leaders from the PLO, IRA, the German RAF, the Japanese Red Army and Argentine Montoneros.

However, there is something more serious: the western services are convinced that terrorist groups are receiving financial and technical support from several countries. DST identified four of these "hotbeds": Iraq, Syria, Libya and South Yemen. In the latter country, some people located three camps in Rauf, Mukalla and Al Ghaidha in which a total of 700 Cubans, 1,500 Soviets and some East Germans would be training terrorist groups from all over the world. In Libya, the same type of facility is located 300 kilometers south of Tripoli, in Sabha, where Palestinians and IRA commandos are said to have been side by side. An ETA member arrested last June in Madrid when getting off a plane from Amsterdam confessed having been trained in South Yemen, — before him, Lord Mountbatten's murderer had admitted staying in a Libyan camp. These camps are in addition to those training Palestinian, Iraqi and Libyan terrorists in Eastern countries--for example, the one in the Samproval Foreign Military Academy in Crimea, if American sources are to be believed.

Likewise, some of the terrorism—"generating" countries later finance the operations of the groups they train. Intelligence services estimated at \$50,000 per year (over 250,000 francs) the "cost of living" of an average terrorist—cars, multiple caches, arms, forged documents and bribes. In Bonn, officials are pretty sure that cash needed by Baddeur and his companions came from Libya and Iraq. Receiving its funds from America where they were collected from the Irish community of the United States, IRA has long been an exception in that respect.

The Sacred Union

Although we could not really speak about a "terrorist internationale," it nevertheless seemed that several worldwide "hotbeds" could still continue to maintain for a long time political violence in several countries. Consequently, the scene of action became that of a subversive war to which it was advisable to answer through a sort of sacred union. Western governments therefore devised the largest and most flexible community for the exchange of information among their respective secret services, the only ones able to have a "planetary" view of the events. Thus was born the Club of Bern which is far from being the only effort in that domain.

Continuous contacts are maintained between meetings. First bilateral: as already mentioned, DST maintains privileged relations with Munich's BND; the British MI-5 and SIS cooperate with the Spaniards concerning the Basque country and, at times, they ensure the training of Italian future anti-terrorist specialists. However, joint relations are also maintained: most European (and Israeli) services are linked by a radio network accessible through a code; in France, liaison is maintained through the Interministerial Control Group (GIC) Channel which, prior to this, was only concerned with telephone monitoring. Information sharing is thus almost instantaneous. It can be general or information may be withheld from a given country or countries, which gives reason to complain to those who feel too often left out.

This is how the terrorist phenomenon is imperceptibly changing the image of the European police (in the broader sense). From laws of exception which do not always dare go by that name, to special brigades and services, a police network is slowly being developed, crisscrossing the old democracies of Europe, with little chance for their population to be made aware of the fact and, often, without their elected officials having the opportunity to give a simple advice. The stake of the game involved can be summarized with a few approximative, but nonetheless meaningful, figures. On the terrorist side, 34 Germans, 250 Basques, a handful of Italians, that many Irish, a few Corsicans, Bretons and other agitators from secondary areas. On the state side, a tight police net over 300 million individuals who may be called, depending on the case, hostages or potential subversives. What man of power will some day balance these figures?

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GOVERNMENT DEBATES 1981 BUDGET, DEFICIT

Zurich DIE WELTWOCHEN in German 17 Sep 80 p 11

[Article by Herbert Hacker, datelined Vienna: "Waltzing on Top of the Volcano"]

[Text] Rather less than happily Austria's reluctant political duo, Federal Chancellor Kreisky and his Vice Chancellor and Minister for Finance Hannes Androsch, announced last week what is looming ahead for the Austrian public in 1981: Once again they will have to stuff 15 billion schillings (slightly more than 2 billion Swiss francs) into the leaking government treasury.

In the past few years the exercise has become an almost routine budget ritual with respect to its dimension also. Nevertheless it may differ somewhat in 1981: This time round the budget deficit is to be reduced to 25 billion schillings (some 3.4 billion Swiss francs). The economists--beset by deficit nightmares--dream of 2.5 percent of the gross national product.

The tax increase watchword was issued precisely in the place where, the day before, Kreisky and Androsch--comparable only to a reluctant married couple facing a divorce judge--had been compelled to kiss and make up. Still, the joint conference dealing with the new burdens to be imposed on John Citizen was by no means so successful as it had been years ago.

The enumeration was on the dry side: 600 million Swiss francs to come from increases in railroad and mail tariffs, 300 million from "shifts" in social insurance. Another 80 million Swiss francs each are to be saved with respect to savings promotion or earned from increased fees. The raise in the value-added tax on electricity and gas from 8 percent to 12 or even 14 percent is to yield about 110 million Swiss francs. A completely new tax to be paid by service stations and bank branches is to bring in another 137 million Swiss francs each.

Furthermore, those citizens who--like Androsch himself--use a lot of energy in their private swimming pools, are to have the tax screws tightened as never before. Yet, despite all this the government's savings target will be missed by some 410 million Swiss francs. This leaves a good deal of room for public suggestions how the taxpayers may best make up this deficit.

Hardly had the Austrians been told how deeply they would have to dig into their pockets next year, the atmosphere in the government party brightened quite perceptibly. Everyone was happy, from Bruno Kreisky (whom Androsch had "failed to persuade" shortly before) to Carinthia Land chief Leopold Wagner who promptly declared junior politician Androsch a potential successor to Kreisky.

Behind the scenes, though, a somewhat different--albeit muted--tune was sounded. Some thought that this could only bode ill for the socialists in Austria, because the conflict had merely been papered over. Outright pessimists went so far as to say that either this was the beginning of the end for Kreisky, or that it was merely a matter of time before Androsch would be made to step down.

Semanticists are now studying the meaning of the formula which says that Androsch will leave his office "within an appropriate period" and "in an unambiguous manner." However, it would probably be more fruitful to compare the various leaks which have lately originated with a variety of Socialist Party officials.

Contradictions abound, for example, concerning the issue of a rise in the value-added tax on electricity or that of withholding tax. Possibly even more eloquent is the total silence regarding the issue of Austria's current account. Last spring the proposed increase in the value-added tax on gas and electricity had caused a clash between the Chancellor and his deputy. At that time Kreisky considered such a step to be antisocial. Admittedly then the discussion centered around a full 18 percent raise in the rate. Now he seems satisfied with a somewhat smaller increase.

On the other hand, last spring and even more just before the near-break with Androsch, the Chancellor strongly pleaded for a withholding tax. Androsch, for his part, totally rejected the Chancellor's suggestion, both as a neat and orderly withholding tax on dividends and in the form of a selective tax on banks--which has now prevailed after all. Furthermore, the Chancellor still insists that the issue of a withholding tax would "now be dealt with by a small committee which is not to be hurried." In short, it is to represent an iron tax reserve.

The average experienced Austrian interprets this to mean not only that withholding tax might after all attack his savings deposit or stock portfolio. The precise distribution of a little loss of face here and there is much too obvious to persuade him that everything is going well with the government which has been guiding his fate for the past 10 years.

The disturbing deficit in the current account was completely omitted from any mention in the cabinet meeting which officially served to "set up the budget and deal with economic and general political concerns this fall." And yet the country will have to cope with this deficit willy nilly. The present silence is all the more striking because many working papers are circulating within the government party, which propose measures to restore the current account. These plans include, among others, the imposition of an import levy on passenger cars, and some are so radical that they are raising goosebumps among the recipients due to the fact that usually only chronically ailing economies go in for such extreme treatment. Moreover, the high cost of borrowing in Austria has already resulted in the abandonment of current investment projects. Consequently even government experts have begun to doubt whether the approach sketched by the budget meeting is really appropriate.

Sunk without a trace in the clash between the Chancellor and his deputy was any willingness once and for all clearly to tell the Austrians that--following many "fat years"--the time has now come to tighten their belts unless the prosperity achieved is to be jeopardized. In June last Androsch rejected far reaching current account oriented interventions. At that time he noted that the Austrians would not have to tighten their belts but simply for some time to come content themselves with not being able to afford more. Following the shot-gun wedding of Kreisky and Androsch the dispute will continue regarding the economic policy to be adopted and the central personages of the Vienna Government. Even benevolent observers tend to think that the socialist government has begun to "dance on top of the volcano."

Sufficient indications are available to show that, in response to the nature of the Austrians, this dance will be a waltz. To cite the typical reaction of leftist Young Socialist chief Josef Cap: When Androsch failed to resign, this violent critic of the right socialist pragmatist in the finance ministry commented: "Now I will need a glass of wine."

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CSU: 3103

AKH POLITICAL SCANDAL CONTINUES TO WIDEN

Zurich DIE WELTWOCHEN in German 3 Sep 80 p 15

[Article by Inge Sautner: "Three Androschs Are Too Many for the Austrians: Can Kreisky's Vice Chancellor Stay in Office?"]

[Text] The investigation of the bribery affairs connected with the construction of the Vienna General Hospital has cast a shadow over the firm of Hannes Androsch. The political scandal threatens to widen in Austria.

Vienna-Austria's internal politics would be boring and without problems, if there were only one single Hannes Androsch in Vienna. But there are three of them.

First of all, there is the socialist vice chancellor and finance minister, Hannes Androsch--a very good finance minister by the way, endowed with expertise, precise reasoning power and that bit of fantasy that characterizes the above average mathematician.

Secondly, there is the capitalist entrepreneur Hannes Androsch, majority proprietor of two tax consulting offices, the larger of which, Consultatio by name, employs around 60 coworkers.

And thirdly, there is the private individual Hannes Androsch, a friend of good friends who in turn have a lot of good friends, where one hand always washes the other, and all of them do not get clean by any means.

That all three Androschs are in reality one and the same person makes Austria's off-season 1980 very exciting.

The buoyant Hannes--in 1970, at age 32, chosen as the republic's minister of finance, in 1976 promoted to vice chancellor and "crown prince" of the federal chancellor and SPÖe [Socialist Party of Austria] head Bruno Kreisky--has always attracted attention. One has to admit that he is not only physically above his surroundings. He skis as if he had never done anything else, plays tennis like a movie star at a publicity tournament.

As one who wears expensive made-to-order suits and arranges yet more expensive house concerts in his ministry, he does not fit at all into the provincial mould of Austrian SPÖ functionaries, Krelsky of course excepted. His country house in the wine-community Neustift is one of the most modern in Vienna's west, his sheepdog Astor one of the most beautiful, his official Mercedes-350-SEL larger than all the others--to have more leg-room, Androsch had it lengthened by 10 centimeters, at a cost of about "R. 5000.

Hannes Androsch attracted further interest by the apparent fondness with which the aging Krelsky has drawn him to his fatherly chest. For years, star-king Bruno made no secret of the fact that he viewed the minister of finance as his political heir.

Understandable, then, that Vienna's mass media are concentrating early in the day on the "coming man." Equally understandable that they have investigated primarily his private budget--as to the state budget which he officially administers, there was nothing gratifying to report, anyhow. They have untiringly reported more and more new rumors of how the socialist Androsch usually invests his money, namely large-scale bourgeoisie style. Soon there were rumors he had purchased an island in the Upper-Austrian Atter Lake; soon there was talk about golf courses, castles, hunts, and rights. As to the origin of the allegedly so plentiful money supply, there were of course only vague conjectures.

The first real bombshell exploded in mid-summer 1978, when the ÖVP's [Austrian People's Party] own weekly gazette took pleasure in revealing from which sources "Hannes Androsch's private millions" were flowing. Main charge: The finance minister, together with his wife Brigitte, owns three-fourths of the tax consultation office Consultatio which--in 1970 still a small enterprise--has developed into a branch giant "since the main owner holds a government position."

This rather direct charge of mixing politics and business was followed by a veritable bombardment of press exposures and denials by Androsch which went on for weeks. What was involved basically was the question of whether a finance minister was allowed to operate a tax consultation office on the side. Of course he could, replied Androsch, his government job after all was not a life-time occupation. Of course he could not, countered the opposition, and made itself the attorney for the anonymous little reviewer in the finance ministry "who would have to be a hero to pass absolutely objective judgment on material submitted by his highest chief's private firm."

The debate became completely turbulent because the otherwise clever and cool and collected Androsch permitted himself in the heat of battle to be drawn into committing a major blunder. He made public his 1976 income declaration which showed him pitifully in debt. His home was in his father-in-law's name, his Consultatio brought no profits, his real estate was heavily burdened with mortgages..., in short, the tax consultant

Androsch had given such good advice to the entrepreneur Androsch that the finance minister Androsch could not pocket a penny. Result: The many decent Austrian taxpayers who with much less in personal wealth are bled severely felt themselves derided. They almost choked on their collective scream of fury.

Since then, the indignation about the all-too-clever businessman on Kreisky's side has never completely calmed down. It did not help at all that in the meantime Androsch's Consultatio is being managed by trustees, who allegedly have been given completely free rein by the owner. The distrust continues to grow.

In the politically so hot month of July 1980, the second real bomb exploded. Namely, the investigation of the bribery affairs connected with the building under construction of the Vienna General Hospital (AKH) revealed that several of the wheeler-dealers were closely linked to the Androsch firm of Consultatio. The partly still non-transparent but in any case extremely lucrative business in Kreisky's deputy's backyard caused the opposition People's Party at the end of August to call an extraordinary session of parliament in which they made a no-confidence motion against Androsch. "Anywhere else, such a finance minister would long ago have been shelved," declared OeVP chief Alois Mock.

Looked at soberly, the extra work of the parliament members who had all been dragged back grudgingly from their vacations ended in a Hornberger-type shooting contest. As expected, the no-confidence motion was rejected by the SPOe majority. Yet a sensation did occur: the performance showed that sunny boy Hannes was already totally isolated in his party. His former mentor Kreisky invested exactly 53 seconds in a defense speech which did not contain a friendly word. Androsch had to offer resistance to the "slanders from the bottom drawer" all by himself, and allege once again that he had nothing at all to do with the suspect businesses of his many friends.

However this may be, the days of the threefold Hannes Androsch appear to be numbered in Vienna. At the latest by Christmas, no vice chancellor and finance minister by this name is likely to exist any more.

It is however possible that at the same time in New York there will appear a vice president of the World Bank whose name, strangely, is also Hannes Androsch.

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CSO: 3103

ASSEMBLY SESSION ON HOUSING DESIRED

Nicosia BOZKURT in Turkish 23 Aug 80 p 1

[text] Nicosia--The leader of the TKP [Communal Liberation Party--LP], Alpay Durduran, said the Federated Assembly must find a speedy solution to the housing and rent problem. In a written statement he made following the annulment of the provisions of the law No 2/78, which controls rents on dwellings and binds evictions to specific conditions by the Constitutional Court, Durduran said his party does not, in essence, share the legal views and arguments put forward by the Constitutional Court in its ruling. Durduran said:

"The Communal Liberation Party is not of the opinion that the provisions of the Constitution, which gives our state the character of a social justice state, leave the door open to an interpretation like that made by the Constitutional Court.

However, irrespective of our stand on this issue, the Constitutional Court's decision is clear and in future legal procedures will be based on this decision. Under these conditions, therefore, our people face a new and very grave housing and rent crisis. Following the Constitutional Court's ruling the only place to seek a constitutional solution is the Federated Assembly. Hence, it is incumbent upon the Federated Assembly to convene immediately and enact a new rent control law.

If the ruling UBP [National Unity Party--NUP] fails to move in this direction, there can be no doubt that the Communal Liberation Party will take the necessary steps to see to the interests of our people and fulfill the party's obligations under the Constitution."

Kotak's Statement

The Secretary General of the DPP [Democratic People's Party--DPP], Smet Kotak, in a written message on behalf of the party called on the speaker of the Federated Assembly to convene the assembly in emergency session. Kotak said the 19th century mentality and rules can no longer be applied in this country and noted that the Federated Assembly must exercise its initiative powers without any delay. Kotak said:

"As the Democratic People's Party, we call on the speaker to convene the Federated Assembly in emergency session to evaluate the situation created as a result of the lifting of the rent control by the Constitutional Court; to strengthen and consolidate the social justice provisions of the Constitution, which are in danger of collapsing; and to solve the problems facing tenant-landlord relations in a way appropriate to present realities while preventing the situation from turning into rent anarchy.

"Since 1976, the National Unity Party has been doing nothing toward the solution of the housing problem. Lifting rent controls at a time when economic crisis and unemployment problem have assumed tragic dimensions will precipitate serious clashes among citizens. Therefore, with the aim of assessing the situation the Federated Assembly must hold an emergency session for a general debate on this issue.

"Among its other provisions, the Constitution contains distinct provisions that provide for a social justice state. The rent control act, which was unanimously passed by the assembly during its 1976-77 session, limited rent increases and provided incentives for the low-cost housing construction, instead of luxury houses. At that time, declaring this act unconstitutional, the President neither promulgated it nor sent it back to the assembly. The ultimate fate of this act is still unknown.

"On the other hand, in 1978, the National Unity Party secured the passage of the bill providing for a rent freeze. And now the Constitutional Court has declared some provisions of this act null and void. Through various laws enacted by the Federated Assembly, the prices of movable and immovable property could be frozen or fixed at a minimum level. In the light of this reality, the Federated Assembly must act to protect its powers without any further delay. Otherwise, the unacceptable situation of granting the right to life only to the economically powerful will destroy the unity of the Turkish Federated State which we created through great sacrifices."

Statement by Turk-Sen

Turk-Sen [the Turkish Cypriot Federation of Labor Unions], on its part, stressed that this situation is against the renters. In its statement, Turk-Sen said: "This decision (of the Constitutional Court) will also create a turmoil in the tenant-landlord relations and will cause polarization." Turk-Sen further said:

"The lifting of the rent control and evictions, at this time when the rising cost of living has become unbearable for the workers, may spark off a social explosion and unrest. The fact that nothing has been done, so far, toward the solution of the low-cost housing problem and the fact that the solution of this problem is one of the most important tasks of the state, the Constitutional Court's ruling will have terrible consequences. In view of the Constitutional Court's decision, this issue must immediately

be taken up by the authorities within the framework of short and long-term measures.

"The filling of the legal vacuum created by the Constitutional Court's ruling by legislative adjustments will be a short-term measure. To do this, the Federated Assembly must be convened.

"As a long-term measure, a wide-scale low-cost housing scheme must be prepared and put into effect immediately.

"In order to prevent further delays in these matters the government must act very quickly. Otherwise, price rises created and to be created by rents on dwellings will reach unbearable dimensions."

Statement by Ozgur

The leader of the CTP [the Republican Turkish Party--RTP], Osker Ozgur, maintained that following the Constitutional Court's decision the toilers will no longer be able to find a place to live in. Ozgur said:

"In order to enable the tenant citizens to become homeowners, the RTP proposes the following: the revival of the low-cost housing act, the taking of speedy (legislative) measures to prevent land speculation, and the introduction of bills providing for rent control. The RTP reiterates the need for an organized action by all the citizens, including those tenants suffering as a result of the present system of exploitation created by the National Unity Party government, to revive the Constitution."

9538

CSO: 4907

TFSC AIR TRANSPORTATION SCORED

Nicosia HALKIN SESI in Turkish 29 Aug 80 p 1

[Text] Nicosia--TAK [Turkish (News) Agency]--The deficiencies of the air transportation of the Turkish Federated State of Cyprus (TFSC) are getting worse every passing day.

At this time of the year when inflow of tourists is on the increase, particularly at a time when tourists from third countries have just begun arriving in the TFSC, the deficiencies of the TFSC air transportation are having an adverse effect on the Turkish Cypriot tourist industry.

During the last few days, departing passengers at the Ercan State Airport are being told to leave their planes after boarding them and then allowed to board again.

Yesterday, airport officials allowed 12 additional passengers to board the plane scheduled for flight No TK 701. The President was among the plane's passengers. After heated arguments and squabbles between the officials and passengers all the passengers on board were ordered to leave the plane with their luggage. The passengers, including the President, boarded the plane after a second inspection.

As a result of this double inspection the plane took off 3 hours behind schedule. Most of the passengers, who were not allowed to board the plane, were foreign nationals. A similar incident occurred on Wednesday morning involving the Cyprus Turkish Airline plane scheduled for the Ercan-Istanbul flight.

Comment by Observers

Commenting on the recent incidents, the official observers at the airport described the unending problems of the TFSC air transportation as a "scandal" in its full sense.

Stating that such a management (isletme) cannot exist anywhere in the world, the same observers said:

"The TFSC air transportation, which apparently lacks even the simplest notion of management, is leaving an unfavorable impression on the foreign tourists brought to the TFSC after so many hardships and does not constitute a healthy sign for our young state.

"Even the question of 'How, after so many inspections, can one allow additional passengers to board a plane?' remains unanswered.

"To think that such a form of management will do any good to TFSC is nothing but day dreaming."

Reporters Blocked

An official has attempted to prevent the TAK reporter from taking pictures. The reporter had boarded the plane to report the incident and to take pictures of the overcrowded situation on board the plane. During the incident on the plane some foreign tourists have been seen falling to the ground.

Meantime, following the instructions given by Prime Minister Cagatay, officials will hold a meeting at the Ercan Airport at 11:00 this morning to discuss the issue. The meeting will be attended by the acting Minister of Transportation, Ozel Tahsin, THY (Turkish Airlines) and KTHY (Cyprus Turkish Airlines) officials, and the representatives of the Civil Aviation, customs and the police.

9558

CSO: 4907

FARMERS OUTRAGED OVER NONPAYMENT

Nicosia BOZKURT in Turkish 27 Aug 80 p 1

[Text] Nicosia--The members of the General Administrative Council of the Turkish Cypriot Farmers' Union met with President R. R. Denktas at 10:00 yesterday and discussed with him the question of payments to be made to the farmers (by the Soil Products Organization), and the losses suffered by grain producers as a result of interest payments made by them.

According to the statement issued by the Turkish Cypriot Farmers' Union, the delegation handed a document to the President concerning the financial problems faced by the farmers and possible solutions to them. The delegation also asked for President's mediation in the solution of the problems of the farming sector.

Prime Minister Cagatay told the delegation that the government is doing all it can regarding the payments to be made to the farmers. Cagatay believed that various efforts made on this issue would soon bring about positive results.

Prime Minister Cagatay further said that he will instruct pertinent department officials to examine, in detail, the demands put forward by the farmers and expressed his satisfaction for the outcome of his meeting with the delegation.

After this meeting the General Administrative Council of the Turkish Cypriot Farmers' Union held an extraordinary meeting and [missing passage].

"1. Collection by the cooperatives have stopped. Village cooperatives, the Cooperative Central Bank and various credit unions are unable to collect payments. The Cooperative Central Bank does not even have sufficient funds to import potato seeds, chemical (fertilizers) and other similar goods.

"The farmers, on the other hand, continue to pay interest despite the crop deliveries they made to the cooperatives. For example, producers who delivered 3.5 million [Turkish liras?] worth of grain [missing passage] continue

to pay interest on loans they received. Moreover, they are being taken to courts by private creditors.

"2. Farmers' problems not related to the cooperatives: The relations between the farmers and cooperatives are on ice, for the farmers are not receiving payments for their crop. As a result of this situation farmers are unable to buy fertilizers cost of which has risen by 250 percent.

"As a result of nonpayment of rents for the leased land, which should have been paid by the end of August, the landowners and the farmers have been dragged into a deadlock.

"All those farmers, who had purchased tractors, harvesters and other machinery--by pinning their hopes on their grain crop delivered to the Soil Products Organization--are now defaulting their down payment by returning their machinery and, in some cases, are facing the danger of paying compensation.

"Meantime, the continuing silence of the government in the face of growing economic crisis, which now affects a large section of the population, has increased the uneasiness of our farmers."

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CSO: 4917

FOREIGN MINISTER CHALLENGES 'PRAVDA' ON SECURITY ISSUE

Copenhagen BERLINGSKE AFTEN in Danish 5 Sep 80 p 2

[Article by Ojvind Kyro: "PRAVDA Refuses To Quote Kjeld Olesen"]

[Text] The political climate in relations between Denmark and the Soviet Union has dropped a couple of degrees. Recently, Foreign Minister Kjeld Olesen virtually requested in an official statement that he be quoted by PRAVDA, the organ of the Soviet Communist Party. This happened after PRAVDA had praised the Danish government for its advocacy of a "zero solution" in the matter of the defense budget, thereby not meeting the American demand for a 3 percent increase in arms expenditures. In PRAVDA's opinion "Washington's traditional pressure upon Denmark to bring it back to the course of Atlantic solidarity was unsuccessful."

This caused Foreign Minister Kjeld Olesen to react. He issued an official declaration which stated that "PRAVDA's pat on the back of the Danish government has the altogether too obvious aim of sowing a split in the NATO alliance. Such attempts we must firmly reject." Kjeld Olesen concluded his statement by asserting that there is no alternative to political resolutions of international tensions: "This presupposes a dialog, for which we have always been ready. Quoting this commentary in PRAVDA will constitute a test of the Soviet Union's willingness to show the same good will." Kjeld Olesen was not quoted in PRAVDA, however. "This does not surprise me," he says. Olesen refuses further comment, referring instead to the official declaration he has issued.

Quoted in TASS

In fact, however, Kjeld Olesen was quoted in the Soviet press. Igor Revyakin, chief of the Copenhagen office of TASS, the Soviet news bureau, says to WEEKENDAVISEN: "I have forwarded Kjeld Olesen's statements to Moscow." He does not know, however, what has happened to them at the TASS main office.

Nor has Aleksander Tyekira, press attache Soviet Embassy in Copenhagen, seen Kjeld Olesen's statements printed in PRAVDA or other Soviet

newspapers. "All official statements are sent to Moscow via TASS. I do not know what has subsequently happened to Kjeld Olesen's statements."

P. Kuznetsov, PRAVDA's Scandinavian correspondent, stationed in Helsinki, says: "I have not reported Kjeld Olesen's statements because TASS reported them. I do not know why PRAVDA did not print them. What PRAVDA thinks can be read in PRAVDA, and I do not think one journalist should interview another. And by the way, I am busy. Goodby," Kuznetsov hangs up abruptly.

Silly Reaction

PRAVDA--the name means truth--is the organ of the Kremlin, in which Soviet viewpoints are most quickly put into print. In recent years Danish defense policy has often been commented upon, both the Danish attitude to NATO's plans for stationing a new generation of medium-range missiles in Europe and the plans for implementing a new "crisis policy," according to which allied forces are to be stationed in Denmark and equipped from new NATO depots if war threatens.

That PRAVDA is happy about the Danish government's No to a 3 percent increase in the defense budget is not a new phenomenon. In the opinion of Folketing member Gert Petersen, of the Socialist People's Party. "Ever since the NATO decision in 1978, the Soviet Union has expressed dissatisfaction with the increases," he says.

"Kjeld Olesen's reaction is silly. He overreacts. It seems as if Olesen is afraid that his own stand will be weakened if the Russians say he is right. PRAVDA should print his commentary, of course, but Soviet newspapers usually to an unreasonable degree suppress other opinions," says Gert Petersen, continuing:

"Russian comment on Western defense policy many times certainly have the opposite effect of that intended, but on the other hand one cannot demand that they keep silent. It has annoyed the West German Social Democrats, as well, that the East German radio in its broadcasts recommended to the West Germans that they vote for the Social Democrats.

"Denmark's attitude to NATO is exactly the same as that taken by Romania last year, when the Warsaw Pact after the NATO missile decision voted to increase defense expenditures beyond planned budgets. Romania said No, and the Soviet Union had to accept it.

"The Russians have considerable interest in stopping the arms race. Their economy is strained, and they cannot afford to spend vast sums for the military. But as in the Western countries there are in the Soviet Union forces that do not wish military production converted to civilian needs, namely those who work in the military system and production," says Gert Petersen.

Shifting Soviet Interest

What is written in the Soviet press is first and foremost the things that harmonize with the official view of actual conditions in international politics.

For example, TASS reported nothing about the Danish government's demand that stationing of Soviet SS-20 and Backfire missiles be stopped as a condition for disarmament negotiations when the government on 26 November 1979 decided upon a 12-month postponement of the decision on the stationing of new tactical nuclear weapons in Europe.

On the other hand, TASS quoted Defense Minister Poul Soegaard's statement to the effect that American criticism of the Social Democratic decision would not affect the government's decision. And during the Folketing debate on 27 November only the parts of the foreign minister's speech were reported that did not touch upon the demand upon the Soviet Union.

In February of this year there were in the Soviet press more than 20 comments upon Danish and Norwegian NATO policy. This was the greatest wave of such comment within recent years. The comments took their point of departure in the NATO exercise Anorak Express in Northern Norway and the negotiations on establishment of depots in Denmark and Norway for the use of allied forces. NATO and the United States are mainly responsible for putting pressure upon Denmark and Norway for increasing their engagement in the alliance, stated the Soviet commentaries, which at the same time warned against "undermining" of the Nordic balance.

The Soviet press' dealing with Danish defense policy undergoes great shifts. At times it is intensive, as for example in February, while at other times Denmark is not mentioned with a single word, though important decisions have been taken in the area of security policy.

"Articles in the Soviet press reflect the official attitude, and they never describe unfortunate consequences of Soviet security policy," says Arne Kjellstrand, acting director of SIPRI, the International Swedish Peace Research Institute in Stockholm. "Articles on Western military conditions are written primarily for the home market, not for perusal abroad. But it is clear that they also have a wider purpose."

"Governments in Communist countries to a great extent carry on foreign policy via newspaper articles," says Gert Petersen. "In the East, importance is assigned to what the [Danish] social democratic newspaper AKTUELT says in leading articles, because it is assumed that the articles express the view of the government. This view is so ingrown that during the Cultural Revolution in China it caused diplomatic complications. AKTUELT printed a caricature of Chairman Mao, giving rise to an official note of protest from China. It was very difficult to explain to the Chinese that the drawing did not express the attitude of the government," Gert Petersen concluded.

ARMED FORCES CHIEF OF STAFF DEBATES WITH RADICAL LIBERALS

Copenhagen BERLINGSKE TIDENDE in Danish 7 Sep 80 pt 11 p 8

[Article by Birgit Rasmussen: "The General Is a Peace Researcher"]

[Text] Lt General G. K. Kristensen, armed forces chief of staff, has now been praised for his courage--by Jens Bilgrav-Nielsen, defense policy spokesman for the Radical Liberals. It happened at the gathering of the Radical Liberals at Hindsgavl Castle, to which the Chief of Staff had been invited, and "dared" to enter into discussion with the gathering, not known for its defense advocacy, and on this occasion well prepared for battle. The gathering dealt with many subjects, such as "What's the Use?" Viggo Hoerup's famous remark during the defense debate in 1883 on the fortification of Copenhagen; a slogan the general found it unwise to try to quote just then. Were he himself to resort to slogans, they could be, for example "Neither red nor dead," or "No new Afghanistan in Denmark." He said that this was probably the first time a man from the defense forces had been invited to a meeting such as this, and took it as evidence of the attitude of the Radical Liberals. A man among the participants remarked that the defense people never before had been willing to come out of hiding, and was happy to note that a change was apparently underway. The Chief of Staff stressed that he was there as a private person and that what he was saying was for his own account and risk. "It is time that we Danes map our security policy situation and the situation around us instead of facing one another implacably and sniping at one another. For we agree on the goal. I do not believe our problems can be solved through peace and conflict research alone. However, I regard myself as a peace researcher. I am certainly not a weapons advocate and I would rather see them all abolished. Much of what I shall say will sound harsh to some ears, but if we are to talk to one another and make progress we must be honest."

Power Overbalance

And honest they were. Gen Kristensen deplored that it had not quite penetrated that nuclear weapons force the powers to act strictly rationally, this being the reason why a great war had thus far been

avoided. "If we succeed in abolishing them, the road to a new global war, far worse than World War II, will in my opinion be cleared. If nuclear weapons are to be abolished, conventional weapons must follow them, and perhaps that is where disarmament must begin, with nuclear weapons tackled next."

He stressed the importance of a balance of power, but was somewhat concerned about the Warsaw Pact countries coming up to par technologically with NATO. This made a meeting participant wonder why it can be said that a balance of power is necessary and one can in the same breath worry over this desire now nearly being met. And Jens Bilgrav-Nielsen asked: "What is the use of holding conferences in Geneva on limitation of the spread of nuclear weapons and reducing of arsenals where such weapons are found if even peaceable Danish generals think they are necessary?" He hoped that surrounding oneself with such weapons, which if they are used could lead to the extermination of humanity, would still be seen, at least among politicians, as an expression of hate of humanity.

He quoted from "Why Weapons?" a book used for instruction in the military. "On page 36 one can read something about what one is doing when one says that in the name of the balance of power one must add something to defense. For example, is it taken into account that there are 200 important civilian targets in the Soviet Union suitable for nuclear weapons, which the United States could wipe out 35 times over? Correspondingly, the USSR could destroy the United States 15 times over. Thus it is not a question of having enough to destroy one another once, but of having more than the opponent, although one has had enough for a long time. This is insanity, and it must be a task for the people to manifest strong resistance to any continuation of the arms race."

Fortunately, We Have China

General Kristensen drew what Bilgrav-Nielsen called a threatening picture of the Warsaw Pact's buildup of military force, in particular in the North, that has brought Denmark increasingly into the danger zone. "The 10,000 marines stationed near the Baltic coast which can be used only for offensive purposes against Denmark or Sweden are a grave concern to us. If I were a Russian and wanted to defend myself with them, I would station them near Leningrad....Nor do the 20,000 tanks placed in Central and Northern Europe bode well....When we speak of balance, we must always see Europe as a whole, and here the other side has a mighty military preponderance. The ratio is about 3 to 1, and we must be very careful not to become a Soviet satellite. Thus far we have been spared seeing the Soviet political pressure backed up militarily....And we must face the fact that as concerns nuclear weapons American protection of Europe is becoming more and more evanescent. One remembers Kissinger's words to the effect that the United States would not commit suicide for the sake of Europe. We must hold out until allied conventional reinforcement reaches us. Doubt concerning the ability and willingness of Denmark to

to defend itself could lead to fatal Soviet errors. If we refuse now to produce the required backing of Danish defense, we must rather withdraw from NATO and liquidate our defense forces (rounds of applause). Then we can must become another Afghanistan in 10 or 20 years." Jens Bilgrav-Nielsen thought it was the Soviet Union that was in a real jam. It has several fronts to reckon with. China, for example, and possible difficulties with controlling the other countries of the Warsaw Pact, which probably would stick together in the face of an attack from without, but perhaps not if, for example, the Soviet Union demanded an attack upon Denmark. He found it difficult to see that military capability on the other side were all turned toward the West. The General agreed that it "was a good thing we had China," for this draws forces from Eastern Europe to the Chinese border, where about one fourth of them are stationed now. If they, too, were close to us I would not sleep well at night...."

Serious Talks with the Russians

Bilgrav-Nielsen went on about the real jam the Soviet Union was in. "There is Afghanistan, where most of world opinion is against them, the agreements between China and the United States and an independent Japanese military is shooting up, and Eurocommunism. In Western Europe it is not popular to be a Soviet communist today. Soon there will probably only be the Danes who admit to it." And without wishing to hint that NATO had more warlike intentions than the Warsaw Pact, he would like to mention an American researcher's demonstration of the intervention capacity of the United States being far greater than that of the Soviet Union, and the Swedish peace research institute's information to the effect that 66 percent of arms for the developing countries comes from NATO countries and 28 percent from the Warsaw Pact countries.

And there is a CIA report according to which the Soviet Union renders military assistance to the value of 4 billion dollars annually to other countries, 90 percent of which goes to South Yemen, Algeria, Ethiopia, India and Libya, while the United States grants double that amount annually to 40 countries where they are "in" and where they have about 200 military bases scattered. "Is it quite correct always to present the countries of Eastern Europe as the threat to world peace?" Bilgrav-Nielsen asked.

A meeting participant asked Gen Kristensen whether he honestly would favor Denmark as the pioneer in negotiations on relaxation of tension and disarmament, to which the General replied that Denmark has been the pioneer in disarmament: "During the past 15 years we have time and again reduced Danish defenses. We have been disarming for many years! But strangely enough, the Russians have not withdrawn a single soldier from the Baltic area because of our disarming. That could have been expected, could it not? I should like personally to go to Moscow and say: "We are cutting down by one third, so you must at least remove those marines." (Offers from the audience of paying for tickets.) "It is true that we have not

had serious talks with the Russians. At times I have talked with the Soviet ambassador, a very attractive man. In some areas we agree--and are both worried.

"There is one thing we should not be mistaken about: When we say relaxation of tensions, we mean it. When the Russians say it, they mean something else. They have declared that peaceful coexistence and relaxation of tensions do not preclude wars, including what they call, 'just wars,' wars of liberation as links in the class struggle, which is to go on during the relaxation of tensions."

What Do They Want?

"In the Danish debate we are somewhat at a loss," said Bilgrav-Nielsen, "because we have only the calculations and assessments of the threat presented by the military to go by. I do not blame the military people, but we politicians must demand a totally independent institution to deal with what is going on in the world, to analyze things from abroad, and to evaluate threats that may exist to Denmark. Perhaps we can get something going. The government has been outspoken--after a proposal by us. We would have a better debate if more cards were on the table. And I believe the defense establishment would gain by this, as well."

Here, the two sides finally came to an agreement. "I am in full agreement with that point of view," said the General. "Too little is done about the security policy in Denmark. We are an underdeveloped country in that respect. We must dig out the problems--seen from the Danish point of view. We are Danes, despite everything. The all important question is the intention behind the Soviet Union's newly won and still-increasing strength. I should like to see more research into security policy in this country. That one examines the question: 'What do they want?' Not so much what can they do."

Jens Bilgrav-Nielsen: "I think that is a point of view worthy of a chief of the defense staff."

The Crossroads

But at the "crossroads" Bilgrav-Nielsen thinks we have reached in defense policy the two men part company.

Bilgrav-Nielsen: "With our present defense model we are in a situation in which if we do not increase by 70 percent over a number of years we must accept a reduction of the goal we have set today. It is not a matter of a few kroner....I think we should rearrange our priorities and let the defense budget stay at the present level and rely upon the aid to underdeveloped countries aimed at in the Brandt Report. This is security policy. It should be possible to accept that Western democracies in an organization such as NATO behave in different ways. Letters to the

defense minister will arrive from the United States to the effect that this will not do, but we should not let ourselves be daunted. We shall merely say that in our opinion this is the way it should be done. Then it will probably become apparent that other countries will go along."

The Chief of Staff: "The North-South problem is part of the security policy, to be sure, but it has become a 'place of refuge,' something one can throw oneself into when one cannot manage the East-West problem."

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POLL SHOWS MOST SUPPORT 'ZERO-INCREASE' IN DEFENSE BUDGET

Copenhagen BERLINGSKE TIDENDE in Danish 15 Sep 80 p 5

[Reportage by Anger Schultz: "Increased Defense Spending Not Popular"]

[Text] Even though Danish voters must be said to favor defense through support of our political security ties with NATO, they are not in favor of supporting the 1978 decision to increase defense spending by a fixed 3 percent annually.

This is based on a Gallup Institute poll measuring the reaction to a public debate on letters from the American defense minister to his Danish colleague.

The institute asked a representative sampling of Danish voters this question:

"In your opinion, what should Denmark do in the present situation: increase defense spending, maintain current expenditures or reduce its defense spending?"

Since the question is complicated by the fact that the Danish defense budget is tied to the cost-of-living index so that a budget increase means an increase in kroner and ore beyond that of inflation, the question was based on the following advance orientation:

"The present defense agreement expires April 1981 and politicians will be discussing a new agreement this fall. As can be expected, there is great disagreement among the parties on this issue.

"Denmark's contribution to the joint NATO defense has always been subject to discussion and we have not been meeting our share of the NATO defense budget.

"Because of political security developments in Europe, NATO has asked Denmark to increase its contribution when considering a new defense agreement. Since some want to cut defense spending, there are now three

political possibilities: Denmark can increase its defense spending, which NATC has suggested, it can maintain current defense expenditures which are tied to the cost-of-living index so that budgeted expenditures mean more in kroner, the so-called 'zero-increase,' or Denmark can cut its defense spending."

This was the answer to the question among various popular groups:

	Increase Spending	Maintain current expendi- tures	Cut spend- ing	Don't know	Total
	%	%	%	%	%
Total	20	41	27	12	100
Political Affiliation:					
To the right of the Social Democratic Party	33	47	12	8	100
The Social Democratic Party	15	48	28	9	100
To the left of the Social Democratic Party	8	17	71	4	100
By area:					
Capital and surroundings	19	42	31	8	100
Provincial towns	19	38	30	13	100
Rural districts	21	42	19	18	100
Men	27	42	25	6	100
Women	13	40	28	19	100
Age:					
15-19 years of age	19	39	19	23	100
20-24 years of age	10	32	30	8	100
25-29 years of age	15	38	26	11	100
30-39 years of age	23	39	26	12	100
40-49 years of age	21	44	24	11	100
50-59 years of age	22	47	24	7	100
60-69 years of age	21	45	22	12	100
70 years and over	23	38	20	19	100

Education:

Grade school	19	40	26	15	100
Intermediate/high school	24	41	24	11	100
Post high school/college	17	39	39	5	100

As you can see, voters prefer the prime minister's 'zero-increase' even if it does not muster a majority. In spite of the wording of the question, it could be that some voters did not understand that maintaining defense spending means an additional outlay in kroner and ore and that the 41 percent which prefer a 'zero-increase' must be considered a minimum figure.

Considering that a clear majority of the voters, actual and relative, supports our membership in NATO, 58 percent to 18 percent, it is striking that only one in five voters, 20 percent, favor an increase in defense spending which is considered necessary if Denmark is to meet its share of NATO's operating budget.

Not even voters to the right of the Social Democratic Party can muster either a relative or an absolute majority in favor of increased defense spending, while it is not surprising that a great majority (71 percent) of the voters to the left of the Social Democratic Party wants to cut defense spending and leftist Socialists least supportive.

Among the rest of the voters, women, young persons and the well-educated were most negative on defense spending, according to the poll.

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POLL INDICATES DANES MORE FAVORABLE TOWARD DEFENSE

Copenhagen BERLINGSKE TIDENDE In Danish 16 Sep 80 p 5

[Reportage by Bo Drabel]

[Text] Danes are now more favorably disposed toward defense than they were five years ago, according to a poll published by the Military Psychological Service.

Seven questions pertaining to defense were asked of a representative sampling of the population in May 1975, October 1976, October 1978 and in May 1980 as part of an omnibus poll taken by the Danish Institute of Statistics and Social Research.

These were the questions and this year's "yes" answers in percent, with 1975 figures in parenthesis:

1. Is defense important? 34.3 (23.7)
2. Will the people support defense spending? 82.8 (81.6)
3. Is defense an aid to secure peace? 63.8 (53.1)
4. Do you favor defense? 78.3 (68.8)
5. Would an open discussion of defense provide better public support? 50.3 (49.9)
6. Should we increase our defense spending? 30.3 (10.3)

This is an interesting increase based on the Gallup poll on defense spending published in BERLINGSKE yesterday. That poll showed that most voters support a 'zero-increase.'

7. Is defense necessary for Denmark to assert its viewpoints? 57.3 (39.2)

The answers to questions 2 and 5, which only indirectly reflect the respondent's own attitude toward defense, did not change significantly from 1975 to 1980. In that same period there were 10 percent more positive answers to questions 1, 3 and 4, while questions 6 and 7 received 20 percent more positive answers.

Some additional questions were added to the last poll in May 1980 and these were the results: Some 94 percent of the population felt that the conditions in Denmark are worth defending against a military attack, while 6 percent said "no." Some 83 percent would defend the nation in the event of war, while 17 percent said "no." In the event of an attack, 75 percent said we should defend ourselves with the force of arms, 25 percent said "no." Some 66 percent of the population felt that military defense is necessary in order to protect Denmark as an independent nation, while 34 percent did not think so. Finally, some 35 percent said "yes" to the question "Do you think our defense should be stronger than it is today?" Some 48 percent said that our defense is adequate and 17 percent said Danish defense should be reduced.

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CSO: 3106

DROP IN EXPORTS UNDERMINES JORGENSEN'S EARLIER OPTIMISM

Copenhagen BERLINGSKE TIDENDE in Danish 8 Sep 80 p 7

[Article by Frank Dahlgaard: "Industry Exports Now Dropping"]

[Text] The government is misleading the public by repeatedly claiming that exports of industrial goods show a nice rise. In fact, industrial exports, measured in current prices, have been stagnant during the past 6 months. With price increases disregarded, exports by volume have dropped since the first of the year.

DENMARK'S STATISTICS latest "Monthly Statistics of Foreign Trade," recently published, documents by means of figures and graphs that industry exports have not increased by one krone since January of this year. On the contrary, seasonably corrected figures for industry exports in June are 1 million kroner lower than the figures for January.

The Devaluation

The accompanying illustration shows DENMARK'S STATISTICS graph of the development on industrial exports (seasonally corrected) since January 1979. As is seen, there is a strong growth of exports all the way to January 1980, but thereafter the growth stops completely. It is correct that the government and others claim that industrial exports today are 25 to 30 percent higher than at the same time last year, but it is nevertheless misleading. For the entire growth took place during the course of 1979, and as the graph shows, during the past 6 months industrial exports have been stagnant.

The very great growth in exports from December to January is remarkable. That growth is connected with the devaluation of 30 November, of course: the exporters received more kroner for their earned foreign exchange.

Growth in Europe

Nothing indicates that the stagnating commodity export will rise again for the time being. The recently published OECD report from Paris points

out that Denmark's imports from trading partners from 1979 to 1980 grew by 6 percent by volume. From 1980 to 1981, however, imports will grow only by one half of that, namely by 3 percent, the OECD estimates.

The total export of goods during the first 6 months of 1980 was 27 percent higher than exports during the first 6 months of 1979. The export growth, which increased by 42 percent, has been particularly high in the construction industry which had been hit by a crisis.

Export growth from the first 6 months of 1979 to the first 6 months of 1980 was concentrated on the EC countries and the so-called remainder EFTA countries. Here the growth amounted to about 33 percent, measured in current prices.

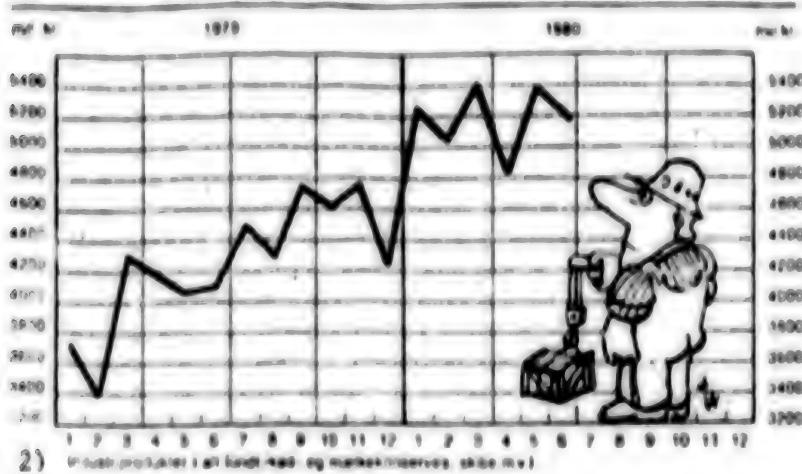
Exports to Eastern Europe rose during the period by only 4 percent. Our exports to the United States dropped by 1 percent, measured in value, and exports to Japan dropped by all of 29 percent.

Exports to the European countries, accounting for the highest growth in exports from the first 6 months of 1979 to the first 6 months of 1980, were: Switzerland (60 percent), Federal Republic of Germany (43 percent), Finland (40 percent) and France (36 percent).

The figures of DENMARK'S STATISTICS show that during the first 6 months of 1980 we had an actual surplus in our trade with France, which is quite unusual. However, this good news covers not only the excellent export growth but also the altered customs duties rules in Denmark from 1 May of this year, which carried with them a statistical delay of imports.

Of Denmark's 12 most important trading partners we had in the first 6 months of 1980 the most distorted trade with the Soviet Union, from which we imported goods to the value 3.75 kroner each time we exported goods to the value of 1 krone.

1) INDUSTRIEKSPORTEN 1979-80



Key:

- 1) Industrial Exports 1979-1980
- 2) Total Industrial Products (except meat and canned milk, ships, etc.)

[Caption] Development of export of industrial goods through the past 18 months. Source: Monthly Statistics of foreign trade, June 1980, p 9, DENMARK'S STATISTICS.

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RULING PARTY IN GREENLAND TO DEMAND PLEBISCITE ON EC

Copenhagen BERLINGSKE TIDENDE in Danish 19 Sep 80 p 5

[Article by Johannes Bundgaard]

[Text] The Siumut party will demand a plebiscite on Greenland's withdrawal from EC already next spring. During the 17 months in which the Siumut party has ruled the government, Greenland has received EC loans and grants totaling 322 million kroner.

Siumut's decision to hold a plebiscite in the spring of 1981 on Greenland's withdrawal from EC at the end of 1982 was made at the national party convention in Godthaab, where Jonothan Motzfeldt was elected new chairman yesterday.

Against EC--For Loans and Grants

The party convention also heard Greenland Minister Jorgen Peder Hansen's reply to parliamentary member Otto Steenholdt (Atassut) concerning the Siumut party's use of EC loans and grants despite the party's anti-EC-policies.

The minister's reply showed that the Siumut government had been promised grants and loans totaling 256 million kroner. Furthermore, Siumut has signed an agreement to the effect EC will develop a sheep-farming program, which means another 60 million kroner in EC aid. Finally, EC has pledged that 6 million kroner will be forthcoming to finance the promised electric power and water plants in rural areas, which gave Siumut the narrow win over Atassut in the election 17 months ago. The minister also said that if Siumut, in agreement with its EC policy, had refused to accept grants and loans from EC, it would, of course, have been respected.

Will Seek Compensation

Considering the rather large amounts of aid to a population of only 50,000, Siumut made the decision at its national party convention to appoint a political negotiating team to organize trade agreements that would compensate for economic losses incurred in the eventual withdrawal from EC.

The government as well as party representatives who supported the adoption of Greenland's home-rule government have already stated that the national treasury will not compensate for any loss of revenue from loans and grants should Greenland withdraw from EC.

Available figures on Greenland's economy show that the nation's total production only covers 15 percent of the total consumption. Hence, there is no real basis for the compensation of EC aid, either through production or trade.

Change of Chairman

In a statement concerning the announced plebiscite, the Siumut party convention said that "our EC membership in every way is harmful to the realization of the ever growing independence expressed by the home-rule government."

Jonathan Motzfeldt, chairman of the home-rule government, was elected Siumut party chairman at the national party convention after Lars Emil Johansen, government trade representative, decided to withdraw.

It was Lars Emil Johansen who submitted the proposal to make the government chairman the chairman of the party as well for the purpose of achieving maximum agreement between party and government policy.

The party's new assistant chairman is Moses Olsen, a member of the home-rule government. As a result of a rules change, the central committee was expanded from seven to 11 members.

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GREENLAND UNION ELECTS NEW CHAIRMAN

Godthaab GRONLANDSPOSTEN in Danish 4 Sep 80 p 6

[Article by Philip Lauritzen: "SIK's New Chairman Has Much Experience"]

[Text] The Greenland union Sulinermik Inutigssarsiutekartut Katuvfiat (SIK) has elected a young chairman. He is only 27 years old. However, that is not to say Jens Lyberth is new to this work. In spite of his age, he is well acquainted with union work. Even though he is only 27 years old, he has 6 years behind him as settlement consultant and head of the secretariat, first with GAS and later SIK. Or, stated another way: In 6 years there has not been a single labor settlement on Greenland in which Jens Lyberth has not participated. And he has not only participated.

Jens Lyberth was not yet 20 years old when he became active in union work. Educated at the Royal Academy, he formed KANSP in the early seventies to protest GAS office workers' wages. The fact that Jens Lyverth today opposes Odak Olsen, GAS chairman for many years, is not at all anything new. KANSP was formed to protest GAS, and Odak Olsen and Jens Lyberth met--like they have temporarily parted--as adversaries.

It was in Qaqortoq in 1973 that Jens Lyberth was to negotiate with Odak Olsen on behalf of KANSP. Jens Lyberth wanted better wages and KANSP wanted the right to negotiate independently with the Greenland ministry.

KANSP never gained the right to negotiate independently and the action came to nought in the next few years. But Odak Olsen became so impressed with Jens Lyberth during the negotiations that he asked him to seek the settlement consultant position with GAS.

That he did and in 1974 he became the first Greenlander to hold the central position.

The settlement consultant and chairman Odak Olsen worked well together for many years and it is hard to credit one any more than the other with the ensuing developments. The fact is, however, that wages on Greenland rose considerably as a result of the labor negotiations both in 1975 and in 1977. Both times wages on Greenland went up by at least 20 percent and that had never happened before.

One of Jens Lyberth's great strengths in this perplexing work with thousands of figures, columns and tariffs was undoubtedly that he had thoroughly familiarized himself with all of it. Each time he negotiated with the chairman he knew his figures to the last detail. The government, which is to say ministerial officials, have often opposed him, but they have always had to acknowledge he knew his work.

Lyberth's thoroughness and the resulting clear understanding have obviously been important to Greenlandic wage earners' relative rapid wage gains in the last few years. It is one thing to talk about the underpaid Greenlandic worker in so many words, which must be said. But after that come the strenuous negotiations with government lawyers and it is here money gains can be made.

Odak Olsen has always had great respect for Jens Lyberth in this area. He has often remarked: "I need Jens' head."

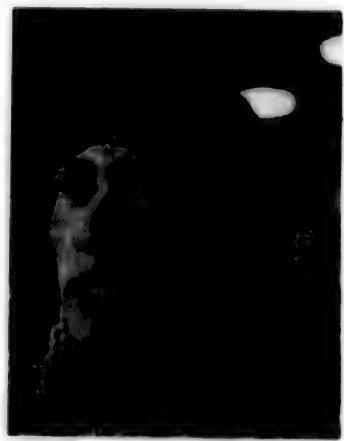
Besides knowing his work down to the smallest tariff, Jens Lyberth has always been the aggressor too. He can be a diplomat, but prefers to move things so they can be seen. During the first major strikes, for example, the Marmorilik strike in 1977, he worked around the clock together with others from GAS. At that time at least, he and Odak Olsen were the ideal partners. Together with Christian Poulsen, who at that time was still with GRONLANDSPOSTEN, they made up "the hard line."

The results were excellent too, even though it was an entirely new experiment and GAS challenged some really important forces in Danish Society.

You may have your own opinion about the strike's importance but it is impossible to deny that, from a union point of view, GAS managed to win some demands which the union movement on Greenland was believed too weak to do.

In our discussion of how Jens Lyberth was chosen and why we thus have reason to establish that the new chairman is not just anybody. He has been in the middle of things for almost a decade and has learned the work of a union chairman: to fight for the interests of his members, the workers. Hardly anybody knows as much about wages on Greenland as does Jens Lyberth. This knowledge should be matched by the opposition, employers' representatives, but they have a long way to go.

[Photo on following page]



Jens Lyberth

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LO'S NIELSEN: ECONOMIC DEMOCRACY IS MUST FOR LABOR PEACE

Copenhagen BERLINGSKE TIDENDE in Danish 14 Sep 80 pt 11 p 1

(Article by Flemming J. Mikkelsen)

[Text] "The demand for Economic Democracy (ED) must be met before the Danish Federation of Labor (LO) will allow the government and Parliament to intervene in the upcoming labor negotiations."

This statement was made by LO Chairman Thomas Nielsen, who stressed that ED has not been abandoned, despite opposition from union members. But LO members have not yet decided whether ED should constitute one of the demands in the new labor contract or whether it should be a political issue. Thomas Nielsen, however, feels that if the parties can negotiate without involving the ED issue they might reach an agreement. "If, on the other hand, the parties fail to reach an agreement and the government intervenes, the union will demand the new contract contain some kind of profit-sharing plan," said the LO chairman.

In a meeting with labor-market journalists, Thomas Nielsen repeated his warning to the Municipal Workers Congress not to make excessive wage demands, which in turn would lead to economic interventions by the government, and the LO chairman once again attacked Prime Minister Anker Jorgensen's promise to the parties involved of open negotiations at the upcoming contract talks. Open negotiations are not worth much, according to Nielsen.

"What is it worth to get a 3 percent increase in economic benefits in the new contract if we lose 5 percent through economic interventions? That gives us a 2 percent cut in benefits. It is better to get little or nothing. Then they cannot take anything away from us," said Thomas Nielsen.

The LO chairman could not unveil much of what the union will demand at the upcoming contract talks. But he could say that the union would try to protect the real wage and demand a common wage policy. The union is

also seeking shorter working hours, especially for shift workers. The union also wants an improved pension plan and adjustments in ATP, tripling the amounts paid in. Furthermore, the union wants improved Sunday and holiday pay and, in Nielsen's words, "will continue to fight to keep the cost-of-living allowance."

"In my opinion," said Thomas Nielsen, "three-way negotiations should preferably be part of a five-year, possibly three-year plan, and it is too late to begin such negotiations at this time."

Jens Thorsen, chairman of the Danish Employers' Association, opposed that point of view the other day in BERLINGSKE. Jens Thorsen feels there is plenty of time to introduce three-way negotiations, but that such negotiations would not go anywhere because neither the union nor the government are willing to discuss those problems which employers feel are important, namely social economic conditions and the paradox-problem.

In his meeting with labor-market journalists, Thomas Nielsen further said that a major conflict next spring would not solve any problems. "I am not among those who believe the threat of a major conflict can have a preventive effect. But I cannot dismiss the fact it might be necessary to give notice of such a conflict," said Thomas Nielsen.

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INDUSTRY INCOME DROPS BY ALMOST 40 PERCENT 1973-78

Copenhagen BØRLINGSKE TIDENDE in Danish 16 Sep 80 p 9

[Article by Frank Dahlgaard]

[Text] Since the beginning of the economic crisis in Denmark, industry has sustained a drop in real income of about 39 percent. In that same period, the full-time industrial worker has realized a real wage gain of 20 percent.

These figures were submitted by economists with the Council on Industry in a new pamphlet entitled "Industrial Income and Financing 1973-1978."

From 1973 to 1979 the purchasing power of a full-time industrial worker's wages rose by 20 percent. In that same period, the purchasing power of industrial profits before taxes declined by 39 percent, according to the economists' figures. The following is a reproduction of a curve-illustration of year-by-year developments since 1973. It can be noted that the hourly wage index (real) dropped slightly since 1976, while the index for industrial income before taxes (real) dropped considerably.

LO Talking Nonsense

Against this background Jorgen Hansen, chief economist with the Council on Industry, said:

"LO is talking nonsense when it says wage earners have contributed to the improvement in Denmark's ability to compete by virtue of a decline in real wages. The truth is that the decline in real wages can be attributed to VAT and other tax increases, which have not benefitted industry, but the government."

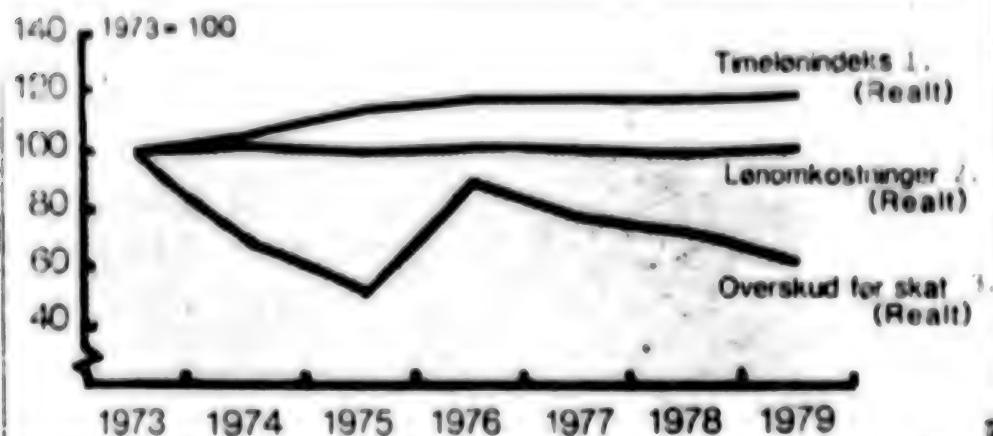
Jorgen Hansen added that "when the union now says it has made sacrifices and thus has a claim on sharing corporate profits, this claim has no real economic basis. The fact is that industry has sustained a sharp drop in real profits in the last few years, which strongly contrasts with the employed wage earner."

Return of 13.8 Percent

The return on industry's own capital investments was estimated at 13.8 percent in 1978, compared to 14.3 percent in 1977. The Council on Industry's new pamphlet makes the following comment on that situation: "The return on industry's own capital investments before taxes was thus lower than the effective interest on bonds before taxes."

INDUSTRIAL PROFITS AND WAGES, 1973-79 FIXED PRICES

ØVERSKUD OG LØN I INDUSTRIEN, 1973-79. FASTE PRISER



Siden 1973 er reallønnen for en beskæftiget industriarbejder vokset med 20 pct., mens industrikoncernernes realindkomst (overskud før skat) er faldet med 39 pct. Kilde: Industrirådets erhvervsøkonomiske afdeling.

Key:

1. Hourly Wage Index (Real)
2. Wage Costs (Real)
3. Profits Before Taxes (Real)

Since 1973 an employed industrial worker's real wages have gone up 20 percent, while industry's real profits (profits before taxes) have dropped 39 percent. Council on Industry's Department of Industrial Economy.

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BRIEFS

GREENLAND DEBATE OVER EC--The double-dealing of Siumut, the Greenland home rule party, in relations with the EC should now be revealed and examined, so that the people of Greenland may have a foretaste of what it will cost in everyday life to take Siumut's advice about abandoning the EC. This is the opinion of Siumut political opponent Folketing member Otto Stenholt (Attasut). His means of revelation is two questions to Greenland Minister Jorgen Peder Hansen. First, Otto Stenholt wants information on the amounts of subsidies and loans Siumut has asked for from the EC. The answer will prove to the people of Greenland that Siumut relies upon great financial support from the EC, while at the same time the party agitates for abandonment of the EC. In addition, Otto Stenholt has asked the Greenland minister to reveal whether he and EC will "support the Greenland Home Rule if with immediate effect it wishes all subsidies and loans stopped until 1983." If Siumut now takes the consequences of its negative attitude toward the EC and refuses further subsidies and loans, the people will have a fair basis for an evaluation, in Otto Stenholt's opinion. The people have 8 years of experience of the advantages of EC membership. With a stop to EC loans and subsidies, what exists can be compared to conditions that will result if the people in a future referendum agree with Siumut's proposal for abandoning the EC. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 11 Sep 80 p 8] 11,256

SOLDIERS OVERTIME EXCESS--One hundred and fifty draftees of the training battalion of the Danish Guard Regiment at Vordingborg Barracks yesterday reported to the infirmary, complaining of stress. In the opinion of the draftees, their working hours are too long. The Army is striving for a work week of 40 hours, but an investigation shows that the draftees in Vordingborg have had 32.6 days of overtime each in the course of less than 9 months. During the same period 30 percent of the original force have been sent home or transferred to lighter service because of bad backs or knees or adjustment difficulties. Peter Meier, spokesman for the draftees, said that there is nothing political of undermining nature in the desire of the soldiers for a 40-hour work week, already introduced in the navy and the air force. Lt Col Jorgen Lauritzen, acting chief of the regiment, says that yesterday there were no more sick calls than normal at Vordingborg Barracks, and that those who were well returned to their duty after having talked with the doctors. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 2 Sep 80 p 5] 11,256

RECOILLESS GUNS FROM SWEDEN--The infantry division of the army will be equipped with 84-millimeter type Carl Gustav recoilless guns in the next couple of years. Denmark has ordered 400 of these guns at a cost of 32 million kroner at January 1979 prices. The Carl Gustav is transportable and can penetrate 35-centimeter armor from a distance of 500 meters. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 14 Sep 80 p 2] 8952

CSO: 2106

PAPER ON BOOK DESCRIBING USSR-FINLAND TRADE COMMISSION

Helsinki UUSI SUOMI in Finnish 3 Sep 80 p 12

[Article by Reino Routamo: "Getting to USSR Markets With the TT (Scientific-Technical) Method"]

[Text] It has been observed in this column from time to time that some people in Finland think of information about the Soviet Union as some kind of secret science that should not be shared with others. Sometimes fear of competitors is a reason for this, but often it is the belief that the information really is secret.

A crack has now been made (one more time) in these beliefs with the publication by the government printing center of a 531-page report, costing 480 marks, entitled "Mutual Influence in Scientific-Technical and Economic Cooperation between Finland and the USSR." It is the result of about three years' work, a guide for scientific-technical cooperation prepared jointly by Finnish and Soviet experts, and most important, it expressly wants to give guidance on business matters. And even though this "epos" is appearing in Finnish (and in Russian in the Soviet Union), it gives a lot of correct information to anyone about the things that determine economic feasibility and profitability calculations in the Soviet Union, how decisions are made at various levels, etc.

Science...

In the study, which is called a methodological report, these answers do not reveal themselves at first glance. The charts, many of which were developed to show the course of cooperation between a socialist and a capitalist country, appear difficult and "scientific," and many of the sentences in the text have been twisted as the result of committee work so that their content is unfathomable. Three years was enough time for some people (whose interest did not extend to making things understandable or who had difficulty in "revealing secrets") to call the whole report a "methodological" report. The text of the book does give, however, some practical guidelines to export people, but only after a thorough reading and after its teachings have been applied to a practical problem.

As was said, both countries were represented in the editorial board by experts, and even though we are dealing with strictly scientific-technical cooperation, the experts were business experts. The text that resulted is not ordinary business Finnish, however: The title of one chapter that is important for understanding [the book] is: "Theoretical analysis and project-direction for cooperative projects," and that will surely frighten many people, who will skip over it and, therefore, understand nothing of the rest.

... or business?

Practical export-sales people, who struggle with Moscow's expensive system of rooms, indecision on the part of buyers, and slow time-set, will not find guidance for themselves in this book. It does not attempt to be a seller's guide, but aims at concrete results, trade. Perhaps it is appropriate to observe in this connection that many large Finnish enterprises estimate that during the next five years more than half of their exports to the Soviet Union will be based on undertakings based on scientific-technical cooperation. Examples of it-work that has already been accomplished are the sales of paper machines by Norilsk and Valmet.

Secondly, it should be observed that export to the Soviet Union will be based even in the future on energy, which they don't want to exchange for simple goods and services that they can provide themselves. Import will be concentrated on strategic needs which the country cannot satisfy by itself (e.g. rubber) and technology to improve production and to raise productivity in needed places. Finns do not have a wide variety of things to offer in these areas, since a large part of our own technology is imported technology that the Soviet Union could buy directly from those who developed it or which we wouldn't even be allowed to sell to others.

For these reasons, the boards of directors of Finnish enterprises that have even a small amount of trade across the border must determine, in planning their eastern trade, how they can offer in the future products that will answer these requirements and will, in addition, fit into the Soviet Union's own production system.

Development of these kinds of export products requires that they be planned from the beginning in accordance with their purpose--and this in turn means that they be planned together with the buyers. Finnish enterprises have now already had to notice that standards and norms mean something different in the Soviet Union than here, and a condition of trade is following the Gost [expansion unknown] norms. In comparison with the DIN and SF [expansion unknown] norms used in Finland, they are often easier (= greater tolerances), but they are in any case different.

Projects

Any joint production or construction project between Finnish and Soviet enterprises is a painful journey. So the methodological report aims at making the road easier by showing how the course is to be traveled, what kind of maps are needed, and why one should want to start on that path. Unfortunately, in publishing this work a solution has been adopted according to which the Finnish edition tells how a Finnish enterprise or legislative body works, and this has meant a lot of unnecessary pages, which one can appropriately skip over.

The projects studied, for which purpose [the authors] have waded through all Finnish-Soviet agreements that have been made up to now, are divided into seven groups: research and development work, planning and consultation services, development of production processes, development of products, investment projects, cooperative production and marketing, and joint projects in third countries.

For each of these a chart has been prepared which clearly illustrates the phases through which cooperation must pass and the formal agreements, legal documents, etc., that must be prepared in each phase.

Critics of the work have raised their eyebrows over this point and have tried to claim that these guidelines are attempting to "cannonize" the sales process into formulas which may not be departed from. This could hardly be considered a fault--since in dealing particularly with the Soviet Union it is necessary to act in accordance with the canonical guidelines of the central organizations--but it is in fact not even true. The guidelines given are only guidelines, and following them is entirely voluntary.

Finland's own difficulties

A careful reader will also find references in the account to that sensitive spot on the Finnish side which many knowledgeable people find painful to touch. I mean by this the fact that the most important commercial connections with the Soviet Union have been directed into four channels: the President of the Republic, the Foreign Minister, and two cooperative groups that are in principle independent: the economic commission and the commission on scientific-technical cooperation. The Foreign Ministry of course tries to keep the cooperative groups under its own supervision, the groups themselves are each trying to raise their own "cat-tail" higher than the other's.

The differences between the TT-committee and the economic commission have sometimes been highly inflamed, and their minutes hardly ever fail to contain comments about the overlapping work of the various sub-committees. The enterprises which should be providing most of the membership of these committees do not always know at this point where it would be most advantageous for them to sit.

On the other hand, the Soviet end of each of the four channels is in a different place, so that following them leads to different results. Cooperation in it can be achieved through the tt-committee particularly, the economic commission prepares for cooperation in economics and production, market difficulties can be cleared up through the Ministry's sales-policy section, and the President's channel is hardly used except for agreements on nuclear reactors. Actual sales are always made, however, directly between the seller and the buyer.

It should be easy in principle, as has been said, for everyone to guess "who is who" in these matters; difficulties are only caused by the various "cat-tails," or in plain words the personal ambitions of the people involved. For this reason also an enterprise should study the methodology epos with care: it will lead the enterprise that wants to do business to concrete results through tt-cooperation, insuring the participation of Soviet expert decision-makers at a sufficiently early stage.

9611
CSO: 3107

CONSERVATIVES' NEW IMAGE TO BE TESTED DURING CAMPAIGN

Helsinki HUVUDSTADSBLADET in Swedish 24 Aug 80 p 2

[Editorial by Henrik von Bernsdorff: "Kokoomus, the Question Mark"]

[Text] In this leading article Henrik von Bernsdorff makes a few remarks on Kokoomus Chief Ilkka Suominen's latest determination of position for his party, its line and on the debate about it during the past summer weeks.

If it is true as the old saying has it that a loved child has many names the Conservative Party [Kokoomus] must just now be a particularly beloved big baby in our politics. Or an otherwise rather lame domestic policy debate during these weeks of late summer Kokoomus has in fact been in the spotlight to a degree that seems somewhat surprising. The party has by some been stamped as being too far to the right and old-fashioned conservative--as in the case of the motivation of the two noted defectors at the end of the spring session. By others, among competitors of the right, it is accused of harboring dangerous radicalism, while voices from the center make fun of its pretended eagerness for reform which, they say, thus far has been limited to rambling discourses without a concrete basis in fact. Aarne Saarinen of the FKP [expansion unknown] considers it true that the party has recently undergone a significant metamorphosis "in the direction of progress." It is no wonder that the ordinary citizen, the listener and reader, is a bit confused and wonders what to believe: is the Conservative Party neither fish nor fowl, or perhaps something in between? This question can be asked with all the more reason since the confusion seems to some extent to have spread to Kokoomus' own camp.

Party boss Ilkka Suominen's speech to the party's Riksdag group a couple of weeks ago initiated the latest round in the debate. Suominen began with the two already mentioned defections by, as is known, Riksdag member Eva Kuuskoski-Vikatmaa and former program chief Weijo Pikanen. For his part, he would not assign too great importance to such "changes of party" because they most often have clearly personal motives. However, the accusations of radicalization toward the right directed against Kokoomus caused him once more to stake out the "hunting ground" where, in the opinion of the chairman, the party belongs.

In Suominen's interpretation the party is no extremist movement serving the interests of a small number, but a party of cooperation aimed at bringing together various groups of citizens, a party the place of which is clearly found in the bourgeois camp but nevertheless keeps close to the political center line. The center right is the label Ilkka Suominen has put upon the party before, as he did on this occasion. Beyond the party's border to the left one finds the adherents of socialism, while the gates toward the right are barred to those who do not accept the Passikivi-Kekkonen line in foreign policy, as they are to those who do not support political cooperation across ideological lines of demarcation.

This drawing of borders is clear enough on paper, and it surely meets Suominen's hopes concerning where he wants his party. At the same time, however, the Kokoomus chief is certainly aware that it is a quite extensive area he thereby lures in, and that there is room for a variety of views in this rather motley mixture. Against this background should probably be seen his somewhat surprising and rather bold demand for greater group discipline in both the party as such and not least in the Riksdag group, to which he next directed his attention.

Individual deviations in the form, for example, of voting with the splinter parties on propagandistic Riksdag proposals only "because they are more readily explained to the voters," he rejected one and for all. The Kokoomus line is centered upon the individual, but not egocentric.

In this connection Ilkka Suominen stressed that defense of the rights of the individual should not be carried so far that it hurts the general interests. As examples he mentioned the gravel law and the pilk [translation unknown] law, on which he supported the current reform proposals. In another matter, the rights of the individual requires approval of the proposed change in the name law, which gives wives the right to retain their family names and pass them on to offspring.

The line taken by the chairman of the Conservative party in this situation is certainly relatively clear. The question is whether it is or can be expected to be the line of the whole party. At times one has the feeling that Ilkka Suominen and his closest staff ride so far in advance of the party's battle line that they cannot be quite sure of the infantry's opinion--whether or not it is willing to follow them in the heat of battle. The party boss has thus already encountered protests by representatives of the Riksdag group--with the chairman in the lead--against his demand for group solidarity. To be sure, the protests are directed mainly toward the thought of an absolute cadaver [sic] discipline, but this is hardly what Suominen has in mind. It is not difficult to imagine, however, that attempts at dictatorial methods would make Kokoomus politicians get up on their hind legs.

Likewise, Suominen's relatively liberal lead in the question of environment protection has also aroused criticism.

It is "excessive self-defense," is the argument served up to the party chairman, if with these views he imagines he can fend off the accusation of being too far to the right. Nor does the Kokoomus group feel the need of being divided into sheep and goats; it does not like anybody attempting to bridle or muzzle its members.

The uncertainty that has obtained at least since the time of the change of chairmen as to what Kokoomus in fact stands for today and what the party is striving for still exists. Nor has the party, because of the offside position forced upon it in the government, had to show its hand in the same way as have its competitors. This may perhaps sound like consolation for a brave heart, but it could nevertheless be an advantage for the short term. In any case, that the moderate conservatives are regarded by their fellow political players as difficult political players is plainly shown by the savage comments by their opponents that have characterized the debate in recent weeks.

What the voters think of the conservative party, which, according to Aarne Saarinen has undergone a significant change in "a progressive direction," we shall learn when Ilkka Suominen undergoes his baptism of fire as party leader in an election campaign in the fall district elections.

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CSO: 3109

ALGERIAN ACCORDS MARK END OF DISPUTE

Paris LE MONDE in French 19 Sep 80 p 4

[Article by Daniel Junqua "Francois-Poncet believes that his visit to Algeria opens a new phase in their bilateral relations"--passages between slantlines originally published in italics]

[Text] The French minister of foreign affairs, Mr Jean Francois-Poncet, returned to Paris on the evening of Thursday 18 September, after having signed or initialled a series of texts designed to liquidate bilateral disputes. Mr Jean Francois-Poncet, the guest of his colleague Mr Mohadem Seddik Benyahia, who had just chaired the quarterly OPEC meeting in Vienna, believes that his visit "opens a new phase in relations between the two countries and shows the determination of the two governments to broaden and improve their cooperation." The minister also had talks with Prime Minister Abdel-ghani and President Chadli Bendjedid.

Algiers--Rarely has a bilateral negotiation been as long, as trying for the participants, or as secret, right up to the last minute. It is quite unusual for the official visit of a minister of foreign affairs to be announced only 24 hours before his arrival. It is true that twice before the meetings had to be cancelled /in extremis/, first in July, then in August, and that neither Paris nor Algiers wanted to take the risk of a third postponement.

15 months have rolled by since Mr Francois-Poncet's last visit to Algiers 23-24 June 1979. The objective of France's chief diplomat had been a process of "normalization" of bilateral relations that had seriously deteriorated since 1975, partly as a result of Paris supporting Rabat at Nouakchott in the Western Sahara conflict. He intended to /"re-establish the dialog"/ in an atmosphere of frankness permitting the restoring of confidence, and to tackle all the issues, however thorny they might be. The new Algerian minister of foreign affairs, Mr Benyahia, was of the same mind. Personal relations between the two minister: were particularly good.

They decided to set up ("loue concussions"), partly by reactivating some bodies that have been dormant for several years, such as the mixed committee on manpower and on social security, the first of which had not met since 1973, the year when President Boumedienne decided to suspend the departure of Algerian workers for France; the second [had not met] since 1974. All pending problems had to be examined, with priority being given to humanitarian questions, and especially to the delicate problem of re-insertion into Algeria of the migrant workers.

Several months went by without the least signs of progress. In September, a new French ambassador, Mr Jean-Pierre Merillou, assumed his position in Algiers, while a month later Mr Mohamed Fahmoun replaced Mr Benjaoui in Paris. The two men played a major role in the negotiations, making many contacts and explanations, striving to dissipate the equivocations and ambiguities that were constantly springing up. On the Algerian side, there seemed to be no rush. However, on 1 November, on the occasion of the 25th anniversary of the unleashing of the war of liberation, President Chadli Bendjedid said in LE MONDE: "Algeria believes in cooperation with France...However large the issue, the problems become secondary when there exists a real determination to overcome them." The political bureau of the FLN (National Liberation Front) decided, after hearing from Mr Benyahia, to re-open the Algerian-French dialog through ("the initiation of a round of discussions and consultations") opening the way to the first meetings of the experts at Algiers and Paris. On 20 December, Mr Lionel Stoleru, the minister of labor, announced that Algerian nationals in France whose residence cards were to expire between 1 January and 10 September 1980 would be automatically given an extension for one year.

Six Working Groups

In January 1981 the visit to Paris of Mr Benyahia led to a new phase of the discussions: Algeria ratified the consular convention between the two countries that had been pending for 6 years, and six working groups were formed to study the contentious questions: manpower and emigration, problems of individuals, social security, financial and fiscal questions, property and activity of French in Algeria, and archives of the colonial period. They were to finish their work by 30 June, the two ministers of foreign affairs promising to perform the arbitrations necessary to the verification of disputed points before 14 July.

This turned out to be highly optimistic. On the humanitarian problems, the positions seemed to be irreconcilable: Paris wanted to obtain the departure each year of 50,000 Algerian workers, while Algiers categorically rejected any such measure. Paris ended up by proposing the establishment of a trial period of 2, then of 3 years, during which departures would be on a voluntary basis. Agreement seemed to be 95 percent achieved, and on returning from a final negotiating session in Paris on 2 July, the secretary general of the Algerian ministry of foreign affairs,

Mr Demirji believed there were grounds for optimism. Mr François-Poncet's visit was announced for 12 July, it was cancelled at the last minute. The agreements that were to be signed Thursday in Algiers concern emigration, social security, and the execution of judicial decisions*. Also, the Algerian authorities undertook to take measures to make it possible for French who remained in Algeria after independence to sell their property freely and to repatriate their assets to France. Even if they put an end, temporarily or permanently, to painful humanitarian problems that poison the atmosphere, all these agreements have only limited scope and we are still far from the kind of overall accord that Mr Giscard d'Estaing said he wished to see on 9 February 1978 in an interview on French television.

But on the psychological level it is nevertheless a fact that a step, perhaps a decisive one, has now been taken. For 15 months, French and Algerian diplomats and high officials have gotten to know each other and to appreciate each other. Mr Benyahia and Mr François-Poncet persisted in spite of difficulties, making the success of the enterprise a personal commitment. To this end they are supposed to have met twice, once at the United Nations in New York, and twice more in the greatest secrecy, this summer, at La Celle-Saint Cloud, to resolve the impasse.

The task of the two ministers was made even harder by the need for each to overcome the obstacles raised by all those who, one way or another, are hostile to friendlier bilateral relations.

The realism, good sense, and persistence displayed throughout this period by the chief of state, Mr Chadli Bendjedid, and by Mr Benyahia, made it possible to overcome the problems. The "affairs," small or great, that broke out throughout 1980 were not able to compromise negotiations permanently. These include the events at Gafsa in Tunisia, and the sending of French warships into the Gulf of Gabes, the disturbances in Kabylie, in which some [people] here wanted to see the [fine] hand of SDECE [Foreign Intelligence and Counterintelligence Service], and even the dispute over the price of natural gas between SONATRACH [National Company for the Transport and Marketing of Hydrocarbons] and GDF [French Gas Company], which was promptly brought back into the technical and trade realm where, it is said, it should have been all along.

* This article mainly concerns the children of mixed, separated, or divorced couples.

TALKS WITH AUSTRALIA COVER AIRBUS, URANIUM

Paris LE MONDE in French 14-15 Sep 80 p 12

[Article by Michael Southern: "France and Australia Reconcile Their Views on Uranium"]

[Text] Sydney--France intends to buy large quantities of coal and uranium from Australia. It will invest on site in those sectors, Mr Andre Giraud said in Sydney. The minister of industry, who was leading a delegation of industrialists, also stated that the French Government would not interfere with the exit of the necessary capitals to purchase lands and exploit raw materials in Australia.

Mr Giraud's visit coincided with a new offensive launched by Deputy Prime Minister Anthony against the EEC. Austria is threatening once more to take measures against imports exceeding 1 billion Australian dollars* if the EEC. [as published] Australia threatens a "cole" and especially its restrictions against importing lamb. [as published]

While refusing to be dragged into such a debate, Mr Giraud stated that the balance of payments between France and Australia is in favor of the latter and pointed out that France is the largest buyer of lamb skins and the fourth purchaser of wool.

"I do not believe that future relations between two industrialized countries which have so many things in common in their past, can be marred by 10,000 tons of lamb meat," Mr Giraud said.

The Australians threaten again to take measures against some projects, such as the purchase of the Airbus (representing some 250 million Australian dollars), but if Mr Anthony affirms that he is not bluffing and that Australia "will be tough" with Europe, nobody believes it, all the more so because we are on the eve of elections. It is believed that his attitude is largely aimed at protecting his reputation in agricultural circles; his action has no support among the grass root parliamentarians of his party and very little in the cabinet. On the contrary, the cancellation of the

* One Australian dollar = Fr 4.83

Airbus order would be costly to Australia who would lose its downpayment as well as some 60 million Australian dollars in compensating contracts of European origin which must be carried out with local aerospace industries.

During their visit, the French industrialists showed a very clear interest in purchasing a larger quantity of coal, Australian uranium ore (yellowcake) and in investment programs which would allow French interests to own the resources.

Proposals have also been set forth for the construction and financing by France of a uranium-enriching plant. The most probable sites seem to be Queensland and western Australia, where the local governments would support such an undertaking.

At a private meeting in Sydney, members of the delegation denied having presented firm proposals to the Queensland Government for the uranium-enriching plant. But it is known that the French had already proposed the construction of such a plant in Australia.

9341

CSO: 3100

TRADE DEFICIT OF 50 BILLION FRANCS EXPECTED BY YEAR'S END

Paris LE FIGARO in French 16 Sep 80 pp 1, 9

[Article "A Deficit of 50 Billion"]

[Text] The much-dreaded aggravation of the crisis expected in the second half of the year does not yet seem to be expressed in the figures; the first economic results figures for August in reality paint the picture of a mediocre, but steady, situation.

Foreign trade balances out with a deficit of 4 billion Francs, in raw numbers, or 4.7 billion in figures corrected for seasonal variations. This is both a mild improvement with respect to previous months, and a clear deterioration by comparison with August of 1979, since the deficit corrected for seasonal variations was then only 2.6 billion. The explanation lies in two striking figures: last month, our trade balance was positive by 7.9 billion, but the energy deficit reached 11.9 billion.

For the first 8 months of the year, the "gap" in the trade balance is already 40.5 billion Francs, and it is hard to see how it could fail to reach 50 billion by the end of the year, for a quintupling by comparison with last year.

On the unemployment front, the number of job-seekers increased last month by 3.3 percent in raw numbers, but it declined by 0.9 percent in figures corrected for seasonal variation. The increase in raw numbers is explained by the traditional phenomenon of young people looking for their first job. But the rate of annual increase continues to decline: 5.5 percent from August 1979 to August 1980, against 12.6 percent from August 1978 to August 1979.

The French trade deficit for the first 6 months is already more than 40 billion for the first 6 months of the year [sic] (40.5 billion). It is hard to see how it could fail to reach 50 billion by the end of the year, compared to a little more than 10 billion last year.

The results from the month of August are hardly significant since the French economy goes into neutral that month. But they show a mild improvement in raw numbers: foreign trade is 4.9 billion in deficit (33.7 billion in imports and 28.8 billion in exports). In figures corrected for seasonal variations the deficit is 4 billion (imports: 44.7 billion, exports: 40.7 billion). The deficit average of the monthly deficits in the first 7 months of the year was 1.2 billion, and the rate of coverage has grown from an average of 85.9 percent in the last 3 months to 91 percent in August.

In contrast, the deterioration is clear by comparison with last year. For the same month the raw deficit in 1979 was 4 billion, and the deficit corrected for seasonal variations was only 2.6 billion.

The slight improvement in relation to the beginning of the year is explained by a decline in our imports of non-energy products. Exports themselves continue at the June-July level.

An analysis by product shows continued improvement in agricultural exports, both in raw commodities and in processed products, showing a net surplus of 1.7 billion Francs. Similarly, growth in our exports of professional equipment combined with a relative moderation in our imports results in a surplus of 1.6 billion, nearly double that (875 million) observed on average in the course of the first 7 months of the year. More encouraging still, perhaps, we are close to the balance-point with regard to consumer goods, for the first time since September 1978.

Oil's part in the aggravation of our deficit by comparison with last year can be summed up in the following way: the trade balance, except for energy products, is positive to the tune of 7.9 billion in August. The energy deficit totals 11.9 billion.

9516

CSD: 3106

GENERAL OFFICER PROMOTIONS, APPOINTMENTS

Paris LE MONDE in French 19 Sep 80 p 15

[Article: Military Appointments: Generals Belfayol, Humbert and Saulnier Receive Their Fourth Star"]

[Text] On Wednesday morning, 17 September the Council of Ministers, upon the recommendation of Mr Yvon Bourges, minister of defense, approved the following promotions and appointments:

Army: Maj Gen Pierre Belfayol was promoted to the rank and title of lieutenant general; he will assume the duties of major general of the army on 17 November, upon the departure of the incumbent, Maj Gen Jacques Bley, assigned to the second section (Reserve).

Promotions to: Lieutenant General: Brig Gen Jacques Servanckx; brigadier general: Colonels Rene Dupuis, Jean Errier, Paul Lardry, Yves Hailaud, Jean Gossot, and Michel Mandaroux (appointed deputy commissioner of Public Works and Construction).

Appointments to: Inspector of the Infantry: Maj Gen Jean Bire; deputy to the commanding general of the Third Military Region (Rennes) and regional adjutant: Maj Gen Francois Bosshardt; deputy to the military governor general of Lyon: Brig Gen Alfred Garen; commanding general of the 1st Armored Division; Brig Gen Arsene Woisard; deputy to the commanding general of the 4th Military Region (Bordeaux): Brig Gen Andre Bolloc'h; executive officer to the chief of the Army General Staff: Brig Gen Bernard Goupil.

Air Force: Air Force Major Generals Elie Humbert and Jean Saulnier are promoted to the rank and title of air force lieutenant general.

Promotions to: Air Force Major General: Air Force Brig Gen Theodore Mahlberg; Air Force brigadier general: Col Roger Pessidous.

Appointments to: Technical Inspector of the Air Force: Air Force Maj Gen Pierre Flachard; commanding general of military air transport: Air Force Brig Gen Bernard Cornavin.

State Police Force: Col Robert Boule is promoted to brigadier general.

Comptroller General of the Armed Forces: Armed Forces Comptroller Jacque Barthelomy is promoted to Armed Forces comptroller general.

9766

CSO: 3100

PS TRIES TO CORRECT INTERNAL, ELECTION PROBLEMS

Mitterrand Delays Candidacy Announcement

Paris LE FIGARO in French 22 Sep 80 p 4

Article by Jacques Fleury: "New Delay for Mitterrand"

Text The directorial committee of the PS [Socialist Party] has succeeded in its feat of strength aimed at obscuring the process a little more. It is true that the electoral calendar has been drawn up. But it is interpreted differently by Francois Mitterrand, Michel Rocard, Pierre Mauroy or Jean-Pierre Chevenement. Each one was therefore able to consider himself content with the outcome of the project. There have been no winners or losers. There is only a feeling of weariness on the part of some who fear that internal "intrigues" will end up exhausting the patience of the voters. But there are only a few who fear this reaction of ill-humor. Most of the leaders, each in his own way, are convinced that their top-level quarrel will have no detrimental influence on the electorate.

The committee did not give the slightest answer to the basic question: Will Francois Mitterrand be a candidate and when will he announce his decision? A national congress will be held on 25 January to consider the results of the votes in the electoral divisions. The first secretary may await this date to make his decision public. "He will announce his candidacy when he knows that Giscard is withdrawing," a "minority member" commented with an amused tone.

Thus, the first secretary's approach won again. That of playing the waiting game. "It is useless," Francois Mitterrand emphasized, "to exhaust our candidate with a long and difficult campaign. Let us not be in a hurry. The party should make its choice in an atmosphere of calm and without taking outside pressures into account." But whose fault is it if "there is a plot" to force the PS to reveal its intentions immediately?

It is normal for the French to follow very closely the deeds and gestures of the leaders of a party which wants to govern them and look after their welfare. Especially when that party proudly declares that it is the only

"democratic party" and that it has established rules for itself to assure that its candidate for the presidency is designated by all its militants. These are the same rules which it is now trying to bend to put the first secretary "above the contest."

Candidate Despite Himself

This is the status of the electoral calendar. From 19 October to 8 November, deposition of candidacies, each presented by at least one federation. From 9 to 16 January, discussion in the electoral divisions and vote to nominate the candidate. On 25 and 26 January, holding of an extraordinary national congress which will confirm the votes in the various electoral divisions and proclaim the one who has received 50 percent of the votes as the party's candidate. In the very probable case where no one would receive that score, the congress would proceed to nominate the candidate.

The first part of the electoral calendar is hazy enough to be interpreted in several ways. Thus, the pro-Mitterrand people see the possibility of the first secretary's being a candidate without saying so. One or more federations would express the desire to see him enter the race at the Elysee. The process would get underway without Francois Mitterrand's commitment. He could thus reserve his decision until the vote of the electoral divisions, since he would be a candidate despite himself, or until the congressional meeting is held when he would appear as the man for rediscovered socialist unity.

Francois Mitterrand asserted that he was the guarantor of that unity in preaching to the minorities (we may recall that one of Michel Rocard's relatives, Edgard Pisani, stated publicly that Francois Mitterrand was to stand aside). "If they act in opposition to the Socialist Party, I shall take up the challenge," he said. "There is no reason to present the first secretary as a bad candidate. What we have is a rivalry which transcends the question of the candidacy which is concerned with the party, its orientation and its program. We risk reducing the membership desired by the PS to nothing."

Although he placed some of the blame on others, Francois Mitterrand also made amends. His statement to the press club--"I know who the candidate will be, but I shall not reveal his name"--irritated even his friends. "It was just a sudden outburst," the first secretary conceded to close the incident.

Concern in preserving unity kept the confrontations from taking too violent a turn. Even though they were not satisfied with the established electoral calendar, the pro-Rocard people did not wish to engage in a fundamental debate. They will do so in the electoral divisions when they support the candidacy of the Yvelines delegate.

Thus, at the risk of displeasing the socialist electorate, the PS directorial committee did not add any new element. The only concrete decision reached was the establishment of a daily newspaper. COMBAT SOCIALISTE will therefore become a reality. It will be on the newsstands for the opening of the electoral campaign. But in support of which candidate?

Newspaper, Electoral Calendar Discussed

Paris LE FIGARO in French 20-21 Sep 80 p 4

Article by Jacques Fleury: "The PS Establishes Its Electoral Calendar"⁷

Excerpts⁷ Two basic themes are being retained in the work program of the directorial committee. They are the establishment of a socialist daily newspaper and the electoral calendar for internal discussion of the nomination of the candidate for the Presidency of the Republic. Each should give rise to extensive discussion capable of modifying the strategy of the PS in the days to come.

On the first point, everyone knows Francois Mitterrand's determination to establish this newspaper which would appear as the "official newspaper" of the PS, the bible of antigovernment and the credo of its campaigns for action. But Mitterrand's wish has come up against problems of "insurmountable" resolution: the difficulty for a party, even the size of the PS, to meet the financial obligations of an electoral campaign and simultaneously launch a time-consuming and costly daily newspaper. To alleviate "the inadequacy of the media"--in fact, the PS maintains that the citizens are not sufficiently informed about its initiatives--an economic formula had been found: double the number of "retorts" in the daily letter addressed to socialist militants and organizations.

Union leaders will relaunch discussion with the directorial committee to obtain a "true" newspaper. The offensive is to be led by Claude Germon, federal leader of the CGT [General Confederation of Labor] and national secretary, responsible for the PS enterprise sector. He is in favor of the party's newspaper, particularly to offset the influence on enterprises of L'HUMANITE, which appears to be the only militant newspaper supporting the various struggles.

The Big Showdown

The second point, establishing an electoral calendar, will also give rise to an arduous discussion. Faced with attacks by the PC, and more particularly by its candidate, Georges Marchais, the PS can no longer wait to nominate its champion; this is the analysis of militants closest to the scene. In this context, Francois Mitterrand's statement, "I am not in a hurry," has proved to be irritating. And the reply of Edgard Pisani--Rocard's staunch supporter--"the first secretary must stand aside" has fanned the flames.

The affair is becoming still more complicated with the anxieties of the CERES [Center for Socialist Studies, Research and Education] which made it possible for Francois Mitterrand to receive a majority vote in the last congress. His leaders find that the first secretary's proposals are becoming increasingly similar to those of Michel Rocard. This is particularly true with regard to international policy. More than that, they believe that Francois Mitterrand took great liberty with the line defined by the socialist plan. Also, Jean-Pierre Chevenement is threatening to have a candidate's charter adopted defining the guidelines of the socialist program as a condition for keeping the CERES in the majority.

It is therefore time for the big showdown. Unless, to avoid an unpleasant confrontation, the directorial committee adopts, as is its habit, a type of behavior which calls for postponing important decisions until later. And unless it remains a sort of two, three or four-headed electoral dragon, trying with different languages to seduce the militants at the expense of the citizenry.

3569
CSO: 3100

PCF COMMITTEE ON FREEDOM, HUMAN RIGHTS ISSUES STATEMENT

Paris L'HUMANITE in French 2 Oct 80 p 4

[Text] The Committee for the Defense of the Freedoms and Rights of Man in France and the World met on 30 September 1980 under the chairmanship of Georges Marchais. The Committee adopted the following statement:

"Seven months ago, the Politburo of the French Communist Party [PCF] approved the establishment of the committee chaired by Georges Marchais to meet the needs of the fight of the French communists for the freedoms and rights of man in France and the world. During this period, our initiatives and the initial results have fully confirmed the soundness of this decision.

"We indicted imperialism, in particular by revealing to the public the true scorecard of victims of repression in the world during the last 20 years.

"In various ways, we give our solidarity to all peoples struggling for independence and freedoms.

"We made public a list of 13 political prisoners. By fighting for their release, we wish to advance the cause of all dissident prisoners wherever they may be in the world. Subsequently, the Paraguayan university professor, Virgilio Bareiro, and the Tunisian trade unionist, Abderrazak Ghorbal, were released; the young South African patriot, James Mange, was saved from the gallows.

"We demand that the European Parliament establish an inquiry commission to investigate violations of human rights in countries of the European Economic Community.

"As regards France, we published an accusatory document on 'the Giscard state' which showed how political democracy is being called into question in our country. We prepared--and sent to 50,000 correspondents--an important dossier on violations of freedoms in the enterprises.

"We increased our initiatives against the Peyrefitte bill; took or supported actions often crowned with success for the reintegration of many unionists; battled to prevent the arbitrary expulsion of immigrant workers.

"In a general way, we have engaged in over 100 diverse interventions which we carried out in respect for the freedoms and rights of man.

"Our activity is fundamentally different from that of all the other French political parties. For our part, we refuse to demean the cause of human rights by using it as a propaganda artifice. A single desire motivates us: that of establishing the facts and obtaining results.

"We have a vast conception of human rights which takes into consideration all the individual and collective freedoms, the right to work, all the economic and social rights, the rights to education, training, culture, political rights. We are fighting for the respect and the deepening of freedoms for all human beings, for all peoples, in all countries. Freedoms can not be fragmented.

"One of the great human causes of our times is foreign to us. We want to act concretely to drive back hunger in the world, hunger which every year kills 50 million persons. Because the right to life is the primary human right, we want to act to move forward on the road to disarmament, to consolidate peace.

"We are combating racism, antisemitism, torture and oppression in all its forms.

"We will not rest until we have obtained the release of all persons persecuted for their beliefs. Freedom for the '13!' For James Mange, Gary Tyler, Jose-Luis Massera, Salah Abdel Rahman Abdelal, Gen Liber Seregni, Annie Maguire, Kim Chi Ha, Teresa Alicia Israel, Abd Magid Ahmed, for Anatole Charansky and Vaclavy Havel.

"We are fighting for the fundamental rights of every Frenchwoman and every Frenchman. We are at the side of those who are fighting owner dictatorship in enterprise. We refuse to have a universe in which the worker would be 'acting illegally' when he wishes to defend himself, speak to his companions, distribute a tract, sell a newspaper, participate.

"We appeal to the workers to thwart Giscard d'Estaing in his effort to strengthen his repressive arsenal. We say 'NO' to the dangerous Peyrefitte bill.

In a word, we are fighting for the right to justice, dignity, security, responsibility, for the right to happiness.

"Faithful to the democratic traditions which are one of the riches of our people, we are determined to move forward on this road.

"We appeal to all communists, all workers, all democrats, all women and all men with courage to take their place in this fight."

ARREST OF DIRECT ACTION'S TERRORIST LEADERS ENDS GROUP

PARIS LE FIGARO In French 15 Sep 80 p 24

[Article by Jean-Charles Reix and Serge Chauvel-Leroux: "The Mad Couple of French Terrorism"]

[Text] "Direct Action", a small revolutionary group of extreme left, was deprived of its leaders by the arrest on Saturday, Rue Pergolèse, Paris 16^e, of Jean-Marc Roujlian, 28 years old, its creator, listed since 1974 as a "dangerous anarchist and terrorist", and his companion, Nathalie Menigon, 23 years old. Both of them are suspected of numerous crimes and hold-ups. These remnants of the Baader-Meinhof gang were interrogated round the clock by the police but said nothing. The investigators, however, still have 4 days to get their confessions and to attempt to uncover their accomplices and their criminal projects. Once this period is over, they will be taken before the State Security Court.

Although he is not the only leader in whom all French terrorists see themselves, Jean-Marc Roujlian is not the least of the historic heads of the "liberation mobility" that has gone in a few years from theoretical contestation to violent action in France.

"Direct Action" is in a way the child of this young native of Toulouse who was considered rather as a "veteran" of subversion for having joined, at the age of 18, the anti-Franco Group in Spain.

Roujlian derived his strength from a past which, between several periods in French and Spanish jails, saw him as a member of the International Revolutionary Action Group (GARI), of Armed Cells for Popular Autonomy (NAPAP), then of the well-known Independents, he decided in 1978 "to federalize" the survivors of these clandestine movements.

At first, aided particularly by marginal types, squatters, small-time delinquents, disappointed heirs of "May 1968", and also by a few young women, Roujlian invented and prescribed the theme "Direct Action" which had reference to an anarchist slogan of the late 19th Century.

the method used is simple. As soon as a crime has been committed, a sabotage operation completed, or a violent incident has occurred, "Direct Action" claims responsibility for the deed by telephoning the news agencies. Toulouse, in this respect, held the record in buildings destroyed or computer installations damaged. These crimes were clearly attributed by the police to local activists, but the responsibility for all these acts was claimed wrongly by "Direct Action".

In Toulouse, there were six crimes. The perpetrators, mainly students, were recently arrested. These crimes carried the mark of "Direct Action". For a long time this organization tried to make the public believe that it was holding Michel Maury-Laribière, a small factory owner in the Charente, who had in fact been kidnapped by petty criminals on 28 June.

This goal had been attained, and in order to make his movement a subject of conversation, Jean-Marc Roullian made known his philosophy, his style, and his personality. A simple but provocative message would be forwarded at several different occasions to the press: "Smash the corrupt society by attacking its institutions and the men serving it with weapons while being supported by the popular forces." So much for philosophy.

Attack by Roullian

Roullian's ultimate-surprise attack. He places explosive charges and in particular he demonstrates his strength by strafing the Paris headquarters of the CPE (National Council of French Employers) on 1 May 1979; by firing upon the Ministry of Cooperation on 18 March 1980, and by firing a bazooka at the Ministry of Transportation on 15 April 1980. During these operations in which he participates directly, Roullian confirms his personality as a "true Baader". He operates openly, wears no mask, and each time there are many witnesses to describe "a short young man with brown hair and a heavy mustache, wearing a long khaki raincoat under which he has hidden an automatic pistol." And during each of these criminal acts, there has been noticed along side Roullian "a young woman, in an excited but determined state firing a weapon with cold calculation."

It is noted, however, always his companion, Nathalie Menigon, the "furious one" whom the inspectors from the General Information Directorate had so hard trouble in overpowering on Saturday in Paris. The secret female activists of the Roullian gang are as numerous and also as dangerous as the male members in the Baader gang. Undoubtedly they are copying the Germans. They are suspected of being responsible for hold-ups such as the one that took place 3 months ago in the rue La Fayette, and the one last week in Avenue Raspail where they did not hesitate to fire on the police. This was the last result of the "Direct Action" against societe who was quite simply accused of committing attacks on banks.

What are the origins of the weapons and where did the French terrorists find them? To yet in their most severe levels (in Germany)

background. During 1976 and 1977, Roullian made hardly any attempt to hide his sympathy for the Palestinians, thus the General Information Directorate was able to photograph him, standing on the pavement in front of a Tunisian bar. He was wearing the famous headgear worn by Yasser 'Arafat.

It was then a well-known fact that Frenchmen as well as Italians and Germans were being financed, equipped, and trained in Libya. Some were even seen in Palestinian camps in Lebanon. Before that, in 1972, practical exercises in clandestine methods, subversion, and the use of explosives was carried out in France.

Bizarre Indulgence

Take for example, the police raid in 1972 on a farm in the Languedoc-Aussetion region rented by Roullian and Salvador Puig-Antich, the anti-France revolutionist who would be executed later by strangling in Barcelona. The police discovered that this farm had been used as a secret base for the training of many terrorists. The police seized weapons, explosives, false documentation, printing material, and leaflets.

Roullian escaped through the fields; however, the investigators arrested him 2 years later in 1974 while he was carrying dynamite. He had already admitted to several crimes and attacks on banks. Despite that, he had been listed as a "dangerous anarchist-terrorist", but was the beneficiary of singular acts of clemency. He was let go in 1977; retaken on 23 March 1978 in Paris while carrying a weapon and charged again, but he was allowed freedom of movement.

His movements were so loosely monitored that, a few months later, in December 1978, he took part along with a number of "Independents" in a burglary in the museum in St. Germain-en-Laye. A priceless painting, "The Thief" by Jerome Bosch, passed through his hands before being recovered from a fence under for his leftist ideas.

It was also at this time that Roullian set up "Direct Action" after the RAP which he belonged had been decimated by the police following the assassination of Pierre Tramont, a night watchman at the Renault Company. Tramont was suspected of being the murderer of Pierre Overney, a young political activist of May 1968 who had come to spread the good word among the workers at Billancourt.

At that time also, contact was established between "Direct Action" and the Red Brigades in Italy. There was an exchange of ideas, men, money, and weapons. Italian terrorists were welcomed in France and hidden there in the regions of Paris and the Var. Along with their French friends the Italians took part in the incredible hold-up in Conde-sur-Escaut. Six million francs, the miners' salary, disappeared in 1979 from the vaults of the savings bank of that northern area.

This hold-up, however, tolled the knell of most of the French and Italian terrorists because the investigation by the antigang brigade led to the round up on 28 March 1980 of some 30 suspects. After being held for 6 days, 19 men were indicted by the Judge of the State Security Court.

That day, however, the apartment, where Rouillan ordinarily lived with Nathalie Menigon, on the rue des Pyrenees, was empty. Menigon, a young girl of the working class, was born in Enghien-les-Bains. She is on file with the Drug Squad.

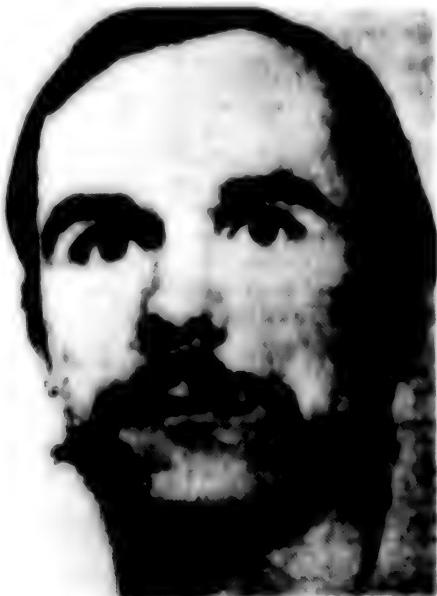
She resorted to drugs to get the aggressiveness she needed to carry out her activities. She was the one who, on the 5th of last August, reportedly held up at gun-point the office of the local administration of the 16th district so she could steal some identity cards. In any case, it was the investigation into this outrageous attack that put the police onto the trail of the French "Baader-Meinhof" gang.

16th Shots in the 16th District

At the end of a long surveillance operation, the officers of the General Information Directorate, still unaware that they were dealing with the supreme head of the "Direct Action" group, arrested them. It was 1800, Saturday afternoon, on the Rue Pergolese in the 16th District near the Avenue Foch, when the police pounced upon the young couple just as they were getting out of a dark grey Peugeot 604 and were about to enter the building at No 62. Overpowered immediately, Jean-Luc [sic--Marc] Rouillan did not have time to fire his deadly weapon, a 11.43 Colt 45 that had a bullet in the chamber. Nathalie Menigon, a young brunette, fleeing from the police, did stop long enough to fire a round of shots which miraculously had no fatal consequences. In fact, a few yards away, there was a group of photographers and curious by-standers waiting for Princess Caroline of Monaco to return home. Nathalie Menigon also armed with a 11.43, fired at the police who were right on her heels, thus causing a brisk return fire. Emptying one clip, the young terrorist inserted a second clip which she also emptied. In all, she fired 16 shots. The firing lasted for several minutes that seemed interminable spraying the Rue Pergolese and hitting, although only slightly, two people in a white Peugeot which was just going by, thus adding to the confusion. One of the car's occupants, Mr Philippe Smadja, 23 years old, received a grazing shot in the face; the second occupant, Patrick Hazan was hit in the left arm by ricochetting bullet, fortunately it was not serious.

Taking advantage of a moment of hesitation, Nathalie Menigon tried to escape by jumping into a car parked a short distance away. The car belonged to Jean-Claude Stoll, a press photographer who was watching for Princess Caroline of Monaco. It was just at this moment that the men from the General Information Directorate, surprised by the violence and the accuracy of the firing, succeeded in getting control of the woman. "She was a real fury," one of them said. Once she had been disarmed and was under tight guard, she continued to kick and scratch the police officers while at the same time shouting "I'm from Direct Action."

It appears that it was at this moment that the investigators understood the importance of their catch. The two terrorists were then taken to the Quai des Orfèvres [Paris Police headquarters] while the two men in the automobile were being treated in a Paris hospital.



9/66
CSO - FBI

BRIEFS

MARCHAIS' GHOSTWRITER--Riddle? Who wrote "L'Espoir au Present," George Marchais's brand new book? Answer: the economist Anicet Le Pors, 49, former high official in the ministry of finance and presently a senator. The author of many works under the pseudonym of Alexis Cousin and under his own name. Historian Claude Mazauric, who was secretary general of CNE-SUP (National Higher Education Association), was also responsible for several chapters. The master hand behind Marchais's two previous books, "Le Defi Democratique" (500,000 copies) and "Parlons Franchement" (100,000 copies) was Jean Kanapa, who disappeared in 1978. [Text] [Paris L'EXPRESS in French 13-19 Sep 80 p 116] 9516

SDECE TO MOVE--The SDECE (Foreign Intelligence and Counterintelligence Service) will construct new quarters on the outskirts of Paris. The purchase of several buildings on the narrow Boulevard Mortier will [nevertheless] enable it to decentralize certain of its services. [Text] [Paris LE POINT in French 6 Oct 80 p 67]

CREPEAU: CANDIDATE IN 1981--Michel Crepeau, president of the Movement for Left Wing Radicalists, has decided to pursue the race for the presidency to the very end. The mayor of Rochelle is and will remain a candidate, no matter whom the socialist party chooses as a final candidate. Michel Crepeau, discussing work accomplished by the principal committee of his party gathered in Paris last Saturday, said that he was convinced that despite the difficulties involved he would be able to gather the 500 signatures required for his candidacy. He estimates that 5 percent or more votes in his favor could "change political data in the future." [Text] [Paris LE MATIN in French 8 Sep 80 p 3] 8924

CSN: 3100

ALLIED PAOK PARTY CRISIS ANALYZED

Athens TC-D'A in Greek 14 Sep 80 p 5

Article by St. F. Pscharis: "The Meaning of the PAOK "Crisis"

Part 7 It will not be long before those in the government who are rejoicing at the so-called PAOK "internal crisis" and are highlighting it by "advertising" the resignations of (indeed, tens) members will face reality which, as they belatedly will find out, is different from what they conceive it to be.

Those who are rejoicing today at this "crisis" are not well-informed and do not know what transpires within the major opposition party nor have they analyzed the facts before arriving at (easy) conclusions.

In order to understand the essence of the present PAOK "crisis" one must refer to its history, to analyze in some way the progress of the party established by A. Papandreu in September 1974--progress achieved from the day of its inception to the present day.

Since September 1974 various forces have begun "marching out" under the leadership of Andreas G. Papandreu (whose "political charm" has been proven by the events at a time, moreover, when his adversary in 1973 was the also "charismatic leader" K. Karamanlis). At first PAOK started out as a small party using slogans which could possibly appeal to the masses of the times but which were not accepted, as the 1974 elections proved, by the broad masses of the centrist voters who 10 years earlier, in 1964, had marched out under the banner of Change raised by Georgios Papandreu (Andreas' father).

After a 7-year dictatorship which suspended, disorganized and dissolved political life and which thus unified all political forces against it, it was natural for the political evolution to go through phases of radical realignments. It was natural for the new [political] parties to follow various trends. Even in the New Democracy [Party] which was firmly in power and protected by the Karamanlis presence underwent at least two trends. PAOK, which was new and the power syndrome nonexistent, followed two trends early and easily.

In a short while, the government of the traditional right began publishing stories about "dissensions" within PANK, talked about "wings" and there were some who spoke about "dissolution trends." Yet no one had hit "the nail on the head." The new Democracy, drunk on its great election victory in 1974, held early elections in 1977 with the prospect of receiving... more votes. In the meantime, PANK was busy. Andreas G. Papandreou (whose intelligence was evidently underestimated by many) helped continue the PANK progress by counterbalancing the trends, sometimes with well planned maneuvers and at other times with unanticipated dynamism (let us recall those early year resignations of PANK cadres...).

The 1977 election results were a shocking surprise to many; yet few people realized that they signaled the beginning of political developments with PANK, which was slowly but surely leaving behind its years of infancy, at one of the two poles.

A. G. Papandreou, on that night of November 1977 with the election results in, was face to face with power. PANK was approaching the critical cross-roads: It would either expand or it would remain in politico-ideological dimensions which would steadily keep it away from power... Let the dice were cast, PANK would cast off the peculiar isolationism it had embraced and would embark on a march toward power. The events have proved it, are driving it, and will do so, reviving it continually--more and more convincingly as the time for elections approaches.

The first noteworthy fact was what Andreas G. Papandreou had said to the meeting of the PANK Central Committee in the fall of 1978. He had spoken about the need to have "an opening in the organization." The message was clear. Some local PANK organization should abandon the spirit of a "closed club" and should open the door to the masses which either were already knocking at this door unsuccessfully or were waiting for the right "opening" to do so. Certain PANK cadres reacted sometimes intensely and at other times carefully to this "opening of the organization" and expressed purely ideological protests. They argued that the doors should not be open to all but only to "selected persons"--to those, that is, whom they themselves would select.

The PANK leadership was soon facing a reality: The slogan about the "opening of the organization" was not fully acceptable and some "leftist" groups of cadres claimed a somewhat special "veto."

And Andreas Papandreou was receiving a number of "protocols" sometimes from his cadres who criticized the "leftists" for their reaction to the "opening" of the organization and sometimes by "leftists" who were accusing these cadres "who were in the majority" for their old partisan spirit!

The "dramatic revolution" was not late in coming. PANK's leadership had found out that it was the "groups" of cadres who acted in an old

partisan spirit and that behind the showcase of a "purely leftist ideology" were hidden personal ambitions. The Salonica PASOK branch found itself in the epicenter of these developments where the activities of the "leftists" were very intensive. The countdown had begun.

Tsipras did not hesitate to make decisions. And since he evidently knows well the rules of the political game, he escalated the cleanup. Such a cleanup began recently when proper conditions developed (when the "leftists" proved unwilling to act within the framework of a large ruling party). Evidently, the fatal mistake of those who reacted against the "opening" of the organization was that they thought the PASOK leader would justify them, would protect them with his stature and would make them PASOK heads.

In any case, the recent resignation of members in Salonica (two have resigned and 32 others have been referred to the Disciplinary Council) underlines the extent of the PASOK leadership's determination. These recent Salonica events lead to genuine reassessments and evidently delineate the future.

According to reliable information: The PASOK leadership is determined to go ahead fighting radically the reactions which tend to limit the PASOK spirit and keep it away from power--something which would harm and render impossible PASOK's objectives. First of all, PASOK reliable sources point out, PASOK is not an "institution of ideological studies" where ideological seminars will be organized. "PASOK," they say, "is a mass popular movement which aims at gaining government power in order that the vision of a better life for the working people will be realized." Its target remains the "step by step" (with the people's support in every phase) socialistic transformation of the society.

Reliable sources point out that this aim is not about to be sacrificed for the "sweet talk" of groups some of which see the party as a place of "ideological seminars" and others as a means for promoting ambitions.

The message is clear: PASOK is not making a "turn to the right" nor has its basic strategy been changed. Its objective is to see the people leave power, to democratize the administration, to achieve redistribution of the national income and to free the state machinery from capitalist influence. It simply prepares methodically its political struggle in the modern political realities and, being a modern political organization, adapts itself to the existing conditions with an objective aimed at gaining the government power for a better life for the majority of Greeks. All those who are today surprised (or will possibly be surprised in the near future) simply lack political experience or "have misunderstood" something. Tsipras (who is as tired--rightly or wrongly, but this is another story--those who will vote PASOK).

COUNTRY SECTION

GREECE

BALANCE OF PAYMENTS DETERIORATION REPORTED

Athens: OIKONOMIKOS TAKHYDROMOS in Greek 28 Aug 80 pp 13. 14

Text During the January-May 1980 period the structure of the balance of trade payments compared to the corresponding 1979 period was, on the basis of Bank of Greece preliminary statistics, as follows (in millions of dollars):

	<u>January - May</u>	
	1979	1980
1. Imports	3,951	4,442
2. Exports	1,573	1,653
3. Trade Deficit	-2,378	-2,789
4. Net Invisible Resources:		
a. Receipts	1,847	1,977
b. Payments	496	561
c. Net Invisible Resources	+1,351	+1,416
5. Deficit of Current Payments	-1,027	-1,373
6. Net Capital Inflow	564	849
7. Errors and Omissions	518	469
8. Final Balance	+55	-55

The above Bank of Greece data show the following:

1. Imports: During the first 1980 5-month period our imports increased by 12.4 percent compared to the corresponding 1979 period and reached 4,442 million dollars. They increased, that is, by 491 million dollars. For the most part this increase is due to government imports which increased by 55 percent while private imports increased by only 0.1 percent.
2. Exports: During the January-May 1980 period, exports showed a small rise of 80 million dollars (+5.1 percent) and reached 1,653 million dollars.

3. Trade Deficit: As a result of the preceding developments, the trade balance reached 2,789 million dollars--it increased, that is, by 17.3 percent compared to the corresponding January-May 1979 period.

4. Net Invisible Resources: During the January-May 1980 period, there was a net increase of only 65 million dollars or 4.8 percent and their absolute level reached 1,416 million dollars. More specifically, the invisible resources increased by 7.1 percent due to the increase in maritime remittances by 12.6 percent, in tourist exchange by 12.6 percent percent and in others by 15.5 percent. On the contrary, the inflow of emigrant remittances dropped by 5.4 percent and the income from interests and dividends by 17.7 percent.

5. Deficit of Current Payments: Following the above developments, during the same 5-month period this deficit increased by 346 million dollars or by 33.7 percent compared to the same 1979 period and reached a level of 1,373 million dollars.

Finally, including the net foreign capital inflow and the 469 million dollars in errors and omissions of the credit column (a large and unexplained sum), the trade balance showed a deficit of 55 million dollars compared to a surplus of 55 million dollars during the corresponding January-May 1979 period. It should also be noted that the borrowings by the Central Bank and by public enterprises and organizations during the first 1980 5-month period was high and reached 420 million dollars.

The Bank of Greece official reserves decreased by 108 million dollars and on 31 May 1980 reached 1,021 million dollars. The International Monetary Fund available funds increased by 19 million dollars while the clearing reserves increased by 34 million dollars.

On the other hand, on 31 May 1980, the pending foreign trade credits had reached 1,570 million dollars. They exceeded, in other words, the official reserves by 549 million dollars.

Consumer Price Index Increased 24.7%

According to National Statistical Service of Greece (ΕΣΥΑ) data the annual consumer price index in urban areas increased by 21.6 percent in July 1980 compared to May 1980.

During the January-June 1980 period the average consumer price index increase reached 24.7 percent compared to the corresponding 1979 period as against only 16.1 percent during the corresponding January-June 1979 period compared to the same 1978 period.

In categories the changes in the consumer price index during the January-June 1980 period compared to the corresponding 1979 period are as follows (1971=100) :

January - February

	1979	1980	% Change
1. Foodstuffs	193.2	245.8	+27.2
2. Beverages--tobacco	158.8	180.5	+13.7
3. Clothing--shoes	187.8	222.5	+18.5
4. Housing	171.7	219.4	+27.8
5. Durable goods and household consumer goods	153.7	187.8	+22.2
6. Health--personal care	227.4	274.8	+20.8
7. Education, culture, recreation	195.5	229.6	+17.4
8. Transportation--communications	171.8	223.5	+30.1
9. Miscellaneous goods and services	216.1	299.0	+38.4
General Average Index	<u>184.7</u>	<u>230.9</u>	<u>+24.7</u>

Industrial Daily Wages Increased 20.6%

According to Social Insurance Foundation data the changes in employment and work compensation in 100 surveyed industrial enterprises in the area of Athens were as follows in 1979:

	<u>December</u>		
	1978	1979	% Change
A. Employment			
1. Men	8,804	8,547	-2.9
2. Women	8,370	7,944	-5.1
3. Apprentices	384	367	-4.4
Total	<u>17,558</u>	<u>16,858</u>	<u>-4.1</u>
B. Daily Wages (in drachmas)			
1. Men	541.52	651.51	+20.3
2. Women	416.61	504.78	+21.2
3. Apprentices	318.38	389.97	+22.5
General Average with Reduction	<u>490.57</u>	<u>591.71</u>	<u>+20.6</u>

The above data show the following particular facts:

1. The total employment in the 100 industrial enterprises in the Athens area surveyed between December 1978 and 1979 decreased by 4 percent. More particularly, men's unemployment decreased by 2.9 percent, that of women by 5.1, and of apprentices by 4.4 percent.
2. In 1979 the total industrial daily wages increased by 20.6 percent--those of men increased by 20.3 percent, those of women by 21.2 percent, and of the apprentices by 22.5 percent.

By economic activity branches the men's paid daily wages in December 1979 were as follows in drachmas:

1.	Foodstuffs industry	626
2.	Beverage "	559
3.	Tobacco "	693
4.	Textile "	597
5.	Wearing Apparel "	679
6.	Lumber "	680
7.	Furniture "	724
8.	Paper "	520
9.	Printing "	673
10.	Leather "	607
11.	Rubber "	589
12.	Chemical "	601
13.	Oil products "	37
14.	Industries manufacturing nonmetallurgical products	681
15.	Industries manufacturing metal products	653
16.	Engine manufacturing industries	678
	Industries manufacturing electrical equipment	636
18.	Industries manufacturing transportation means	696
19.	Miscellaneous	685
	General Average Daily Wage	651.51

As the above figures show, men earned the highest daily wages in industries manufacturing: furniture (724 drachmas); transportation means (696 drachmas); tobacco (693 drachmas); lumber (680 drachmas); engines (678 drachmas); and wearing apparel (679 drachmas). The foodstuffs industries paid a daily wage of 626 drachmas while the textile industries paid 597 drachmas.

Wholesale rice Index Increased 28.1%

According to ESYE data the general wholesale price index for finished products in May 1980 increased by 2.3 percent compared to the previous April. Between May 1979 and 1980 or in a period of 1 year, the general wholesale price index marked a considerable increase of 28.1 percent.

By categories, the changes in the wholesale price index between May 1979 and 1980 are as follows (1980=100):

	1979	1980	% Change
1. Finished products of local primary production for domestic consumption	341.0	425.3	+24.7
2. Finished products of local industrial production for domestic consumption	292.5	377.7	+29.1
3. Exported products of local primary and industrial production	343.9	443.3	+28.9
4. Finished products of foreign origin	373.2	478.6	+28.2
5. (1,2) Finished products of primary and secondary production for local consumption	305.0	390.0	+27.8
6. (1,2,4) Finished local and imported products for domestic consumption	<u>319.9</u>	<u>409.3</u>	<u>+27.9</u>
General Index	<u>323.0</u>	<u>413.8</u>	<u>+28.1</u>

The above analysis shows that the rise of the general wholesale price index in each category has been considerable. This spectacular rise is due both to endogenous and exogenous factors.

Indicative is the fact that for the finished local and imported products for domestic consumption the rise between May 1979 and 1980 reached 27.9 percent. This is also due partly to the rise by 28.2 percent of finished products of foreign origin during the above mentioned period--a rise to a considerable percentage due to the undervaluation of the drachma compared to Western European currencies as well as to the dollar.

Trade Balance With Eastern Countries Increased

During the January-November 1979 period (last Bank of Greece available foreign exchange data) the country's trade with eastern countries developed as follows (in million dollars) compared to the corresponding 1978 period.

	January - November	
A. Imports:	1978	1979
1. Foodstuffs	69.0	111.4
2. Raw materials	111.3	138.0
3. Fuels-lubricants	204.7	200.1
4. Capital goods	87.2	83.9
5. Industrial consumption goods	65.6	94.9
6. Freight charges (non-distributable)	3.8	6.0
Total payments	<u>541.6</u>	<u>634.3</u>
7. Change in trade credits	<u>2.3</u>	<u>-11.0</u>
Total imports	<u>543.9</u>	<u>623.3</u>

3. Export Data

1. Foodstuffs and beverages	136.2	179.9
2. Tobacco	67.8	54.3
3. Raw materials and semi-processed products	11.6	11.1
4. Crude minerals	77.8	31.1
5. Capital products	0.3	0.4
6. Industrial and handicraft products	15.1	12.
7. Miscellaneous	0.3	0.1
Total exports	326.7	410.4
Trade deficit	-139.5	-213.0

The above statistical data show the following:

Imports: Our total imports during the January-November 1979 period amounted to 79.4 million dollars or 14.5 percent compared to the same 1977 period and reached a level of 623.3 million dollars. The imports of foodstuffs, raw materials and industrial consumer products increased while the imports of capital goods and fuels decreased.

Exports: During the January-November 1979 11-month period our exports to eastern countries increased by 55.9 million dollars or 15.7 percent compared to the corresponding 1977 11-month period and reached 410.3 million dollars. The exports of foodstuffs and beverages, raw materials, crude-minerals, and industrial-handicraft products increased while the tobacco exports showed a drop.

3. Trade balance: On the basis of the above data the trade balance during the same 11-month period increased 12 percent compared to the corresponding 1977 period and reached 213 million dollars. If one takes into consideration the fact that during the January-November 1979 period the net invisible resources from eastern countries had risen to 31.2 million dollars, then the trade deficit during the above period reached 174.1 million dollars compared to 161 million dollars during the same 1977 period.

Characteristic also is the fact that our exports during the January-November 1979 period covered 65.3 percent of the corresponding imports.

4. Retail Sales Index Increased 21.3%

According to GTS data, the retail sales index showed an average increase of 21.3 percent in current prices during the January-April 1980 period compared to the same 1977 period.

By categories, the average changes in the retail sales index during the January-April 1980 period compared to the same 1977 period were as follows (1977=100):

	January - April		
	1979	1980	% Change
A. Country Total:			
1. Foodstuffs	212.0	245.0	+15.2
2. Clothing--shoes	204.7	233.0	+14.1
3. Furniture--household equipment	254.6	292.3	+14.8
4. Miscellaneous	217.2	247.9	+14.5
General Average Index	217.7	241.1	+11.7
B. Athens Area:			
1. Foodstuffs	200.1	230.2	+15.0
2. Clothing--shoes	185.9	214.7	+15.5
3. Furniture--household equipment	277.9	306.1	+10.1
4. Miscellaneous	224.5	255.1	+14.0
General Average Index	222.0	250.1	+13.6
C. Rest of Country:			
1. Foodstuffs	226.2	250.6	+10.8
2. Clothing--shoes	229.2	259.1	+13.1
3. Furniture--household equipment	227.4	233.1	+2.7
4. Miscellaneous	206.6	261.9	+27.7
General Average Index	220.7	261.5	+18.6

As the above table shows, the 21.7 percent increase in the retail sales index during the January-April 1980 period compared to the same 1979 period was due to the further increase in current prices in all categories throughout the country. More specifically, the increase in the Athens area reached 25.6 percent while in the rest of the country the increase was smaller by 18.6 percent.

If one considers the fact that during the period under review the consumer price index throughout the country increased by 24 percent, then the average total increase throughout the country in the retail sales index during the January-April 1980 period was less in volume by about 2.7 percent.

Economy Financing by Capital Sources

During the January-November 1979 period the total lendings by banks to business and private customers increased by 107,106 million drachmas or by 16.1 percent compared to an increase of 89,485 million drachmas during the corresponding 1978 period (+16.2 percent).

On 30 November 1979 the pending amount of the bank financing of the economy was 772,045 million drachmas. On the basis of Bank of Greece data this amount is analyzed as follows by capital sources (in millions of drachmas):

	Value	% of Total
1. Bank of Greece capital and deposits by public organisations	179,837	21.4
2. Commercial Bank reserves	360,411	47.7
3. Reserves of Special Credit Organisations	218,920	27.1
4. Public Assets	1,877	0.1
Total	<u>757,025</u>	<u>100.0</u>

The above data show that the Bank of Greece funds covered 21.4 percent of the total bank financing. If one adds to this the reserves of the Special Credit Organisation and the public assets which in fact are controlled assets then the percentage reaches 52.2 percent.

On the other hand, the reserves of the Commercial Banks covered the rest of the financing by 47.7 percent.

INDUSTRIAL PRODUCTION

According to E.D.D. data, the industrial production index dropped by 0.7 percent during the month of April 1980 compared to April 1979 [sic].

During the January-April 1980 period the average industrial production increased by 0.7 percent compared to the same period of the previous year, 1979.

By branches, the changes in the industrial production index during the January-April 1980 period compared to the corresponding 1979 period were as follows (1970=100):

	January - April		
	1979	1980	% Change
1. Foodstuffs	129.8	130.5	+0.4
2. Beverages	194.4	202.8	+4.3
3. Tobacco	101.0	108.8	+7.7
4. Textile products	235.1	226.7	-3.6
5. Clothing--shoes	275.1	266.0	-3.3
6. Lumber--cork	206.2	211.8	+2.7
7. Furniture	110.0	105.3	-4.3
8. Paper	203.3	194.0	-4.6
9. Printing--publications	113.3	122.8	+8.4
10. Leather goods	97.7	78.4	-19.1
11. Rubber--plastics	223.0	206.4	-7.6
12. Chemicals	212.0	201.1	-5.1
13. Oil products	266.0	271.2	+1.8
14. Nonmetallic ores	212.6	222.4	+4.6
15. Basic metallurgical	181.8	182.7	+0.5

16. Metal products	185.6	190.7	+2.7
17. Engines and appliances	140.2	131.1	-11.3
18. Electric motors	194.0	226.1	+16.5
19. Transportation means	159.6	162.7	+1.9
20. Miscellaneous industries	214.9	209.5	-3.4
General Average Index	189.2	197.1	+0.2
21. Capital goods	(180.7)	(184.2)	(+1.9)
22. Durable consumer goods	(198.8)	(221.7)	(+11.3)
23. Consumer goods	(190.8)	(186.9)	(-2.0)

As the preceding data show, the small 0.2 percent increase in the net industrial production is due to the increase by 11.3 percent in the production of durable consumer goods and to the increase in production of capital goods by 1.9 percent, while on the contrary the production of consumer goods decreased by 2 percent.

On the other hand, the average changes in secondary production which includes the production of electricity, natural gas and mines (except industry [sic] and construction) were as follows during the January-April 1980 period compared to the corresponding 1979 period (1970=100):

	% Change
1. Industrial production	+0.2
2. Electricity-natural gas	+3.9
3. Mines	-1.9
General Average Change	<u>+0.5</u>

The above figures show that the general average change by 0.5 percent in the secondary production (excluding handicraft and construction) is due to the increase in the net industrial production by 0.2 percent and in the electricity-natural gas production by 3.9 percent while, on the contrary, the index of mine production decreased by 1.9 percent.

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CSO:1420B

INDUSTRIAL DEVELOPMENT BANK PROJECTS REPORTED

Athens TO VIMA in Creek 23 Sep 80 p 2

Text 7 The Hellenic Industrial Development Bank [ETVA] is promoting four important developmental projects which will be the basis for other smaller investments.

The first is MAVE or, more simply, Asbestos Mining Incorporated, Northern Greece Asbestos Industry. It is the largest work to exploit Greece's underground wealth in recent years. The cost for its construction will total 68 million dollars. However, 44 million dollars are covered by commissions given to Greek firms. Thirty-three percent of the equipment value concerns pollution control and the workers' health.

The mechanical equipment began to be placed in the factory complex in 1979 and 1980, so the start of operations is a matter of months. Its yearly return in exchange will be approximately 60 million dollars, a little less than the cost of its construction and 36 million dollars more than the value of commissions given abroad for this purpose.

In order to finance this investment, ETVA collaborated with international organizations of prestige, like the International Investments Organization which is an affiliated company of the World Bank. It is now contracting a new loan with the European Investments Bank. On the other hand, for disposal of the asbestos yarns, a special Greek sales company has been formed, along with the internationally renowned Petrow firm which has great experience in commerce of asbestos yarns.

Another of the bank's investments which has been promoted in the last two years is the Greek Ammonia Industry, Incorporated (EVIAM) which has a price height of 150 million dollars. Construction of this work is considered indispensable for Greek agriculture. It is an exceptionally oil-consuming industry, however. Aside from production of ammonia, EVIAM will also undertake production of urea which will absorb one-third of the ammonia produced. So it will become a viable enterprise and on this basis the project is being moved to completion.

Another important ETVA investment is the Greek Electronics Industry, incorporated (ELVIL). However, this is in cooperation with OTE [Greek Telecommunications Organization] which has a 65-percent share. Investment for its completion is now being promoted with the system of digital technology.

Finally, ETVA's largest and most important effort is the company ELLINIKA METALLA [Hellenic Metals]. Its purpose is to exploit Greece's mixed sulfuric ores. The investment (in which the Bodossakis firm has a 20-percent share) will reach 300 million dollars but the yearly value of its products will be approximately equal to this. A compound metallurgic unit will be created which will extract the metals included in mixed sulfuric ores--lead, zinc, copper, silver and even gold--while the sulfur remaining will take the form of sulfuric acid. A whole series of satellite manufacturing industries will be developed around this unit.

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CSO: 4908

INCREASED INTEREST RATES LEAD TO UPSURGE IN BANK DEPOSITS

Athens TO VEMA in Greek 17 Aug 80 p 7

Article by Kh. Lambesis⁷

Text The new fiscal and monetary-credit measures announced recently by the government testify to the intention of the economic policy makers to put into effect a plan for the "stabilization" and then the "development" of the Greek economy.

This is a stabilization-development policy attempted in the midst of objectively negative conditions in the domestic and international economic environment at a time of long continuing international political instability. (Attempted at a time) of tension and unpredictable developments in our country's geographic area and in the face of domestic problems due to the decline of private deposits resulting in the undermining of the government's economic, monetary, and credit plans and in general to the "inherent" and other weaknesses in our country's economic and organizational structure. The consideration of these problems is intensified as the date for our country's official induction into the EEC (on 1 January 1981) comes closer.

Among the aforementioned measures and intentions which delineate in general the government's economic policy are the announced increases of interest rates for deposits and loans as of 1 July 1980. These increases were made necessary, according to the officials, in order to limit liquidity and to meet the need to increase the credits and grants to the private and public sectors through the return of private deposits into the banks and other institutions of deposits from natural and legal entities (deposits, bonds, bank debentures, and so on). This fact is expected to assure the implementation of the monetary-credit plan which was approved at the beginning of the year.

The initially selective manner in the increase of the interest rates as well as the "restrictively free" purchase of foreign exchange during the first stage were considered expedient and necessary as a step-by-step exploratory process in the implementation of the new governmental policy.

In the government view, the new measures which were imposed as a natural consequence if not sequence of the restrictive credit policy followed up to now outline processes to achieve equilibrium at levels higher than those which prevailed especially the last year.

The most basic reason is the declared liberalization of the economy's mechanism with a free market for foreign exchange after first passing--as we mentioned--through a necessary period of constraints.

The initial encouraging developments (in the cost of living index, in the deposits, in the expression of investment interest and more generally the economic climate) following the announcement of the new measures (changes) justify the cautious optimism that the "countdown" away from today's point of crisis has already started.

The first "tangible" evidence of these developments is found in the increase of deposits--since the first month the new measures were implemented (July)--by 16.7 billion drachmas with the distinct preference for bank debentures. This development is hoped to a) effect a slowdown of inflation, b) affect the balance of payments and c) affect the balance of invisible resources (resulting from measures on the deposits in foreign exchange also by individuals residing in Greece), and d) will affect, moreover, the repatriation of funds which were siphoned abroad (estimated at 1.5 million dollars daily during last year).

This repatriation of capital is expected because of the high interest rates paid to special deposits and debentures in conjunction with the lowering of interest rates abroad.

Something similar took place 3 years ago in Italy. A series of measures by the Italian government favored the repatriation of tremendous amounts which had been siphoned abroad during periods of economic instability.

The new measures will facilitate the implementation of a less restrictive credit policy (because of the supply of the economy with non-inflationary funds).

Basic Goal (Immediate)

The changes in interest rates even in a selective manner are aimed at the reattraction of liquid funds (to commercial and investment banks) with the immediate objective of increasing deposits by 110 billion drachmas to be added to the existing deposits of 710 billion drachmas.

Realizing this objective will limit the liquidity of the economy while demand should correspond faithfully to the implementation of the monetary-credit plan. For example, the government needs will be met by the deposits

(through the required deposits of the commercial banks to the Bank of Greece) and it will be possible to serve those needs without resorting to the Bank of Greece for all the government's needs, which in the last analysis means the printing of inflationary money.

The financing of the private sector will not "suffer" as it does today even if it was "obligated" under the anti-inflationary policy to limit itself to the lower levels of available funds. The conditions for "healthy" financing are being created.

Second Target (Long-term)

The second target is related to the degree and rate of assuring conditions which will minimize the adverse effects of these changes. At the same time, new arrangements will be introduced, specifically the liberalization of the market which requires the liberation of the banking system which includes the liberalization of the interest rates on deposit-loans. The implementation of the recent changes on deposits signifies the beginning of the new system even though we have not yet moved to the liberalization stage mentioned above. This, in the sense that interest rates were changed in the direction of giving higher interest when the cost of the deposit service is lower and the duration of each service is longer, thus coming closer, in some way, to a free market for money and interest rates.

The liberalization of interest rates and the determination of their level by the market and not by the monetary authorities (as it is done today) creates new conditions for depositors and borrowers while at the same time this regime is connected with the functioning of a free market for foreign exchange.

It is well-known, moreover, that in the countries with a free enterprise system the money market functions under the law of supply and demand which determines the earnings of the depositor and the cost to the borrower.

In our country all arrangements in operation during the past 30 years have been dominated by the necessity to regulate the market in order to help the drive for the first stage of development.

Choices Open to Savers

In a modern and developed economy the saving public has the opportunity to select among various outlets for their investments. In our country the only outlet still remains for all practical purposes the bank deposit. The reasons for the limited possibilities to buy shares are well-known. This market does not offer an alternative to the investor. This also applies almost just as much to the purchase of long-term capital.

The basic reason is that inflation has virtually eliminated the long-term capital market even internationally in the sense of stable interest rates.

But abroad it has been replaced to some extent by flexible interest rates (floating) for short-term periods. This is a necessary adjustment which our country, too, may have to adapt soon so that the investor will have the opportunity to obtain titles of long-term duration with a floating interest rate.

Term Deposits

By decision of the monetary authorities the interest rates of certain categories of term deposits were increased while the rates for demand deposits (small savings) which represent two-thirds of the total private deposits remained unchanged. With regard to the interest rates on loans the most important ones are those on long-term loans and short-term industrial credits compared to all other categories.

The special arrangements on term deposits in effect since 1 July 1980 refer to deposits of 250,000 drachmas or more for a period of at least 1 year. The interest rates are set as follows:

For 250,000 drachmas the interest rate is up to 16 percent;

For 250,000-500,000 drachmas the rate is up to 18 percent;

For 500,000 to 1 million drachmas, up to 20 percent; and

for 1 million drachmas or more, up to 22 percent.

Debentures

The new arrangements favor those who buy bank debentures, something which is in line with the intention of the monetary authorities to strengthen the percentage of deposits in investment banks which ever since their inception have had as their primary task the financing of productive investments to the benefit of both the economy and the depositors. Certainly the preference of the depositors is explained further by the fact that the investment banks offer through their debentures additional economic advantages and safeguards for the depositors (for example, the interest rate remains stable for 2 years and for the next 2 they will carry one or two points above the interest rates of commercial banks). They also offer the highest interest rate ranging from 18 to 23 percent. A characteristic illustration is the debentures of the Hellenic Industrial Development Bank as shown in the table below:

Debentures

- a. Amounts of 5,000, 25,000, 50,000, 100,000, and 250,000 drachmas carry an interest rate of 18 percent;
- b. Amounts of 300,000, 350,000, 400,000, and 450,000 carry an interest rate of 19 percent;

c. Amounts of 500,000, 600,000, 700,000, 800,000, and
900,000 carry an interest rate of 21 percent.

d. Amounts of 1,000,000, 1,100,000, and 1,200,000 up
to 1,900,000 carry an interest rate of 23 percent.

The annual yield of the debentures is: debentures of 100,000 yield 14,000,
of 1400,000 yield 76,000, of 500,000, 105,000; and debentures of 1,000,000
drachmas ; yield 230,000 annually.

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CSC : u906

JOB OPPORTUNITIES FOR AEI GRADUATES, STATISTICS REPORTED

Athens: OIKONOMIKOS TAKHYDROMOS in Greek 14 Aug 80 pp 16, 56, 68

Article by Th. Katmanevan

Text We continue today the publication of excerpts from a report on Higher Education Studies written by a group of experts led by G. Psakharopoulos and A. Kazamias under the auspices of the Ministry of Education. The excerpts given below are taken from Chapter IV of the report and refer to the topic "Economy and Education" and cover the following:

1. Unemployment and the relationship between degree and employment.
2. The views of employers and associations of Institutions of Higher Education AEI graduates.

We note specifically the interesting as well as original findings relating to the employment possibilities for AEI graduates. Of special significance is the presentation of the opinions expressed by employers on the methods and criteria for hiring personnel, the education and training of employees by the company, and so on.

Finally, of special interest are the views of associations of AEI graduates with regard to employment problems facing their members. An auxiliary criterion in evaluating the educational system is the work performed by the graduates of the various schools or types of training according to the specialization they received. The sampling made by the National Statistical Service of Greece ESYE enables us to establish an index of relationship between degree and work performed by the graduates of the educational system during the last few years. Three basic questions were involved in the gathering of the data:

- a. How long after graduation did it take you to find a job?
- b. How necessary was your degree for getting this job?
- c. How much was your initial salary?

The graduates of universities remain unemployed more months after graduation on the average than the graduates of technical schools. There is considerable difference in the number of months prior to employment between AEL graduates and those of vocational-technical schools. The graduates of the schools of theology, philology, agriculture-forestry and law remain unemployed for about a year before finding a position. The university philology schools and the teacher academies have the lowest number of unemployed graduates.

How related to their degrees are the jobs found by AEL graduates? For three types of schools, medical-pharmaceutical, military and higher technical education, there is an absolute relation between degree and job. The lowest percentage of such relationship is found in the lower vocational schools (23 percent) and in the economic-political schools of higher education (15 percent).

TABLE I

AVERAGE ANNUAL INCOME BY
SPECIALTY OF NEW GRADUATES

School Graduates From:	Average Annual Income (drachmas)	Number of Observations
1. Theology-Philology	115,771	117
2. Physics-Mathematics	143,031	92
3. Agriculture-Forestry	131,744	32
4. Law	124,563	30
5. Medicine-Pharmacy	128,529	67
6. Engineering	203,360	43
7. Economic-Political Sciences	141,016	162
8. Teacher Academy	96,407	73
9. Military	214,900	2
10. Vocational-Technical	119,367	6
11. Secondary Technical	109,489	19
12. Lower Technical	149,318	15
13. Higher Transport-Communications	78,744	3
14. Secondary "	107,371	39
15. Social Policy	107,800	15
16. Other Schools	86,200	5
All sampled new graduates	130,948	711

Source: ESYE Sampling, 1977

TABLE 2
FIRST INCOME BY LEVEL OF EDUCATION

	Annual Income (drachmas)	Number of Observations
A. General Education:		
1. Elementary School Graduates	94,240	25
2. Gymnasium Graduates	97,279	62
3. University Graduates	121,927	611
B. Technical-Vocational Education		
1. Lower education	92,057	21
2. Middle education	90,754	50
3. Higher education	113,552	30
All sampled new graduates	118,495	704

Source: ASYE Sampling, 1977

Tables 1 and 2 include data related to the initial salaries of new graduates. The first table shows that difference between the initial incomes of gymnasium and lyceum graduates is very small while the corresponding difference between gymnasium (lyceum) graduates and AEI graduates is very great. Also the AEI graduates (university level schools) earn (at least initially) more than the graduates of post-secondary technical-vocational schools. This structure of the initial salaries is in keeping with the potential demand for higher education.

TABLE 3
FIRST INCOME BY GRADE

	Average Annual Income (drachmas)	Number of Observations
A. General Education		
1. Average	117,629	8
2. Good	119,404	356
3. Very Good	116,437	316
4. Excellent	132,414	24
B. Technical-Vocational		
1. Average	56,000	3
2. Good	105,625	46
3. Very Good	96,602	39
4. Excellent	80,934	12
All sampled students	118,496	706

Source: ASYE Sampling, 1977

Table 7 presents another difference between general and technical-vocational education. While the graduates of general education with "excellent" ratings are paid better than the average, the "excellent" graduates of technical-vocational education are not paid better than those who graduated with a "good" (2.5) grade. Obviously those who employ the graduates of technical-vocational schools want from their employees qualifications other than those related to their grades.

Views of the Employers

In this section we shall present data we gathered in interviews with employers and associations of graduates. These data give another picture of the existing situation and facilitate a more reliable assessment of the country's future needs in skilled personnel.

a. Hiring the employers: There were 25 interviews all in all, mostly with companies engaged in manufacturing, one in shipping, one in hotels, and one in banking. These were the major findings:

a. Hiring methods: A significant role in hiring is played by the existing personnel recommending people they know personally. There are some indications that in some cases this method is not as effective as in previous years. Another method for hiring lower level personnel is for prospective employees to look for work, and more rarely for the company to contact the employment agencies for the specialties it needs. For middle and higher level personnel, another hiring method is through newspaper classified ads or previous applications by prospective employees.

b. Methods and criteria for selection: There are differences from one company to another. A small minority of companies use complex tests. The grades and the specific schools or universities (of graduation) usually do not affect the selection. The absence of conflict with previous employers is very important.

c. Turnover: We got the impression that in Greece the rate of personnel turnover is higher compared to the more advanced countries in the case of workers and lower in the case of middle and higher level personnel. In general, the companies prefer a lower turnover rate because they invest a great deal of time and money in providing on-the-job training. The rapid development of certain branches causes problems for the companies because it increases the loss of experienced personnel (to other enterprises).

d. Education and on-the-job training: All the companies take it for granted that a considerable portion of new personnel will need a long training period, a fact which reflects the low quality of vocational education and the impractical character of university degrees. In most cases the training is strictly practical. But there are also noteworthy educational programs. For example, some major companies have Labor Force Employment Organization (OASE) schools in the factories. At a

higher level they often send staff employees to brief courses in Greece and abroad. Very rarely does a company send staff members abroad for regular schooling or training lasting several months.

e. Unskilled workers: There is a greater shortage of unskilled manpower relatively speaking than existed 10 years ago, but without having a crisis of supply. Nonetheless, many employers are worried that the problem may become more acute. There are also complaints about the quality of the workers, especially their attitudes (for example, extended absenteeism), but many employers feel that the situation is improving gradually.

f. Lower and middle level technicians (even to the level of Higher Technical Education Centers (KATE))⁷: Most companies face a shortage of lower and middle level technicians. Some of the large companies solve this problem by having their own training programs. Lower and middle level technicians are found in the larger and traditional branches but not in the newer ones (for example, they are found in textile but not in chemical industries).

The middle level vocational education is generally regarded as being of low quality, with few specific exceptions. Many companies do not have much experience with graduates of middle level technical schools because until recently such schools did not exist for many types of specialization. Often they prefer to hire practitioners or to train new personnel themselves even when there are graduates available, because they feel that the graduates have higher expectations (for salaries) without having practical qualifications.

There are several views concerning the solution of this problem. Some consider as sound the solution of having technical lyceums and KATE schools. Others prefer a system of on-the-job training with courses subsidized by the state sandwiched in.

g. Engineers and scientists: The employers regard the graduate engineers as capable of practical training and rapid adjustment. Some complain that the graduates are weak in their theoretical preparation, but most see the problem primarily in the absence of practical training. All agree that with some practice the graduates turn out to be very good.

There is a shortage in certain specialties, mainly in production engineers in various categories, while in the more conventional specialties such as mechanical-electrical or civil engineers the situation is satisfactory. Occasionally, while the reserve of graduates is satisfactory, their availability for hiring is poor because they do not like the work conditions (that is, those of mining engineers).

h. Office employees: They are mostly gymnasium graduates. It is difficult to find good secretaries or bookkeepers so they are trained on the job. Lately the companies have begun to require some typing or a degree from a

secondary level accounting school or knowledge of foreign languages, but they believe that most of these schools do not do a satisfactory job. Some believe that the *gymnasiums* themselves should provide such training. Some companies hire university level graduates in economics for positions which do not require university education, with the explanation that they are better qualified. Today almost all agree that a *gymnasium* graduate does not have great prospects for advancement in the company, while in the past many staff members have not had university educations.

1. University level graduates in executive positions: There is an over-supply of graduates from economic schools. There are many accountants but usually they do not know how to apply their knowledge practically and they often learn on the job. Also they are not familiar with modern accounting systems such as cost accounting.

There is a complete absence of persons trained in certain management functions--in marketing, in buying supplies, or planning production. Many businessmen consider this shortage as the main problem for the development of a company. Many believe that if the graduates of economic schools had such knowledge and other qualifications such as foreign languages or banking procedures, the demand for their services would increase considerably.

On the other hand, those who come from abroad with qualifications for executive positions are not always absorbed because the mentality of the Greek companies does not help their being hired.

Employers feel that the quality of the economic schools has recently deteriorated. As a rule there is no preference between the Supreme School of Economic and Commercial Sciences (AUEK) and Superior Industrial Training (AI) while the Pandelos Supreme School of Political Sciences (ASP) and the Political and Economic Sciences Section of the Law School are considered less suitable.

2. Women: All companies confess that they do not easily hire women for responsible positions. Some claim that women usually interrupt their career while others invoke as an explanation the overall attitude toward women in the business world.

3. Observations concerning the educational system: The permanent complaint with regard to all levels and specialties is the absence of practical training and intelligence. This is a problem regarding technical education. But many attribute the problem to the general education as, for instance, to the lack of training in problem solving. Some consider this an even more important problem than the practical training. They prefer good general qualifications and they believe that practical expertise can be easily acquired later. On this there are obviously differing views among employers.

1. Company policies on dealing with problems: Most companies depend on the practice of job training. Some follow a very careful and insistent selection process. A small but increasing number have a system of incentives such as graduated salary increases, increasing chances for promotion in order to cut down the loss of personnel as well as absenteeism.

2. The views of the associations of AEI graduates: In the effort to better understand the problems of the various occupations in the labor market we conducted interviews with several professional organizations. We sought information about the situation of their field in the labor market and data about the sufficiency of the number of graduates or the employment in their branch.

The associations we contacted were: The Association of Electrical-Mechanical Engineers, the Athens Medical Association, the Microbiologists' Union, the Dentists' Association, the Agriculturalists' Association, the Athens Bar Association, the Association of Land Surveyors-Topographers.

The associations are generally dealing with the slowdown in the employment of their members and their increasing underemployment or even unemployment. In principle they do not attribute this situation to the large number of graduates. On the contrary, they believe that there is a shortage of expert professional personnel and that with an appropriate restructuring of re-in and employment opportunities the situation may improve. The salaries of AEI graduates, especially of those who work for others, are low but one must take into account that even among those who are self-employed only a small percentage have middle level or high incomes. At an increasing rate the AEI graduates choose to become employees instead of being self-employed. All associations ask for professional safeguards to protect their members, especially in certain branches such as topographers, agriculturalists, and so on.

Education, by general agreement, requires both qualitative and structural improvements. The more reason for this is the forthcoming induction into the EEC so as to achieve the equal treatment of the Greek professionals with their European colleagues. The associations also ask that they be represented in the commission which deals with the matter of reorganizing the degrees on the prospect of our country's induction into the EEC.

The absence of post-graduate studies and specialization within the acceptable limits set by the development of our economy and the continuing education are problems that must be solved. More specifically, the key elements in the case of each association are:

a. Association of Electrical-Mechanical Engineers: In the opinion of this association, there are in Greece today approximately 5,500 electrical-mechanical engineers, or only electrical, or only mechanical, or electronic engineers, half of them in Athens. The mechanical engineers are employed by industry, the large public enterprises (Greek Telecommunications

Organization (C.G.), Public Power Corporation (D.E.D.), the government and the technical companies, or are self-employed. Ninety percent of electrical-mechanical engineers are employees of the same organizations. Only 10 percent are self-employed.

In the last few years there has been some unemployment especially among mechanical engineers. The compensation of electrical-mechanical engineers is fairly low. For those who go to the Middle East the compensation is higher but compared to that of their European colleagues it is much lower. The basic problem is that as a general rule the work of mechanical engineers is undervalued in terms of type and content of work. The reasons for this situation are: a) the fact that in Greece there is no R&D research and development effort so that the mechanical engineers take the most basic field for employment, and b) the structure and the mode of operation of Greek enterprises which work without specifications, quality control and the application of rules, with the result that this basic sector which would need a large number of mechanical engineers is really undeveloped. The association expects that the education of technical personnel will be organized in the context of a broader planning of the overall economy and especially of production guided by the present convictions (namely, less emphasis on strengthening productive activities and over-expansion of services), the available education in spite of shortcomings corresponds to the requirements of production.

b. Athens Medical Association: According to the data of this association, there are approximately 20,000 physicians in Greece with 73 percent of them practicing in Athens and Salonica while in Athens alone we have 11,000. The ratio between physicians and population is approximately 1 per 457 persons, which is quite satisfactory when compared to the situation in western Europe. The problem is the over-concentration of physicians in the major urban centers.

In terms of employment, we have large numbers of overemployed and under-employed physicians. This means that a large number of physicians are having more than one job with the result that they work many hours, more than other working people in order to earn a decent income commensurate with their years of study. Generally speaking, the compensation of physicians employed by hospitals or by the Social Insurance Foundation (E.K.A.) is very low and this is reflected in the quality of their work since they have to hold a second job. According to the Medical Association's experience there is unemployment but it is not known how extensive it is.

The number of students in medical schools is much too great considering that the necessary university facilities for their training are nonexistent. It is necessary to establish new medical schools and research centers to act as magnets for the attraction of physicians if we are to improve the education of physicians and to decentralize medical care. There are great opportunities to meet the needs of the country in physicians provided that there is a reallocation in terms of locality and quality.

The association's proposals for the restructuring of medical training are contained in the proposal for a unified health agency which will serve the decentralizing of care and the improving of the physicians' working conditions, especially of those employed by the hospitals and the insurance funds so that with an improvement of their salaries they will be able to devote themselves to their serious task. The association's proposal for improving medical training focuses on the creation of a supreme central organ for medical training responsible for a continuous study, organization, implementation and control of the postgraduate medical studies as well as for the specialization and continuous postgraduate education of medical school graduates in order to meet the medical care needs of our people.

c. Hellenic Union of Microbiologists: In the opinion of this union, 2,000 microbiologists are in Greece with most of them (over 50 percent) practicing in Athens. This group has started to experience a period of crisis and unemployment, but there is no way to estimate the extent of unemployment. In general, the distribution of microbiologists throughout the country is very uneven, with a very small number practicing in the provincial centers. Microbiologists earning large sums are very few. The majority have medium or even lower incomes.

The proposals of this union focus on changing the way medical care is provided and on the organization of a unified health agency, the gradual elimination of private clinics, and the control of private pharmaceutical enterprises. Another request is the protection of their occupation because today there are many chemists who deal with laboratory tests without having the necessary medical knowledge.

d. Dentists' Association: In Greece there are 6,000 dentists, with 3,200 of them practicing in Athens. Half of them are women. The ratio is 1 dentist to 1,610 people, placing Greece third in Europe after Sweden and Denmark. The distribution of dentists throughout the country is very uneven. There is no dental care for farmers and IKA, with 3,000,000 insured, has only 560 dentists. Many dentists are underemployed because they gravitate into the urban centers and because there is no system of preventive dentistry.

The number of students is great, which affects the quality of education since the student-teacher ratio is not very satisfactory. The present condition in the education of dentists is not very satisfactory. Several useful lessons are missing while lat training is short. The association proposes the creation of research centers and preventive dentistry in hospitals, as well as the availability of postgraduate studies.

e. Association of Land Surveyors-Topographers: In general the employment situation for land surveyors-topographers is difficult. The fact that their subject is covered by other specialties such as civil engineers makes the situation even more difficult. There are approximately 1,000 surveyors today in Greece, and each year approximately 200 graduates from

the polytechnic schools. Most of them are occupied in other jobs. More than 50 percent are employees, public or private; approximately 15 percent are contractors; 20 percent are unemployed. One basic part of the surveyors' work is carried out by the Army Map Service which does all surveying studies for the government. The salaries of surveyors are similar to those of engineers. The annual number of graduates is much too great for the existing employment opportunities. A reduction in the number of admissions or graduates is not considered as a solution. Primarily it is necessary to plan farm development as well as public works and investments. Postgraduate studies for surveyors are useful provided they will be adjusted to the Greek conditions.

f. Association of Agriculturalists: The employment situation for agriculturalists is critical. The total number of agronomists in Greece is between 5,500 and 6,000. Ten to 20 percent are unemployed. The salaries of government employed agriculturalists range from 8,500 drachmas to a maximum of 25,000 and those employed by private enterprises from 9,000 to 20,500 drachmas. Each year approximately 250 graduate from the agriculturalist schools and this number is too large because they are not hired by the government.

g. The Bar Association: Greece has approximately 20,000 lawyers with 11,000 in Athens, five times as many as in other European capitals and states. There is a great deal of underemployment and unemployment among new lawyers, reaching almost 50 percent. The income of attorneys is generally low. Medium or high income is earned by a very few, mostly in Athens. There is a lack of postgraduate specialization in useful sectors. Basically the pregraduation studies are well structured. The number of those admitted and graduated by the universities is too large. The Bar Association does not propose basically that the number be reduced, but it believes that they can be absorbed by the public administration and distributed more soundly.

7520
CSO:4908

PER STUDENT EDUCATIONAL COST ANALYZED

Athens ⑥ OIKONOMIKOS "AKHYDROMOS in Greek 28 Aug 80 p 19

Article by Th. Katsanevas: "Greece Spends Only 8% of its Budget for Education Compared to 20% in European Countries"

Text The per annum cost for an economics school student is almost the same as that for a secondary education student (around 10,000 drachmas). In contrast, the cost for students of engineering schools is much higher: 70,000 drachmas per student annually. The cost for each university student is 32,157 drachmas and for each student attending Higher Technical Education Centers (KAT&E) the cost is 35,848 drachmas annually.

The budget percentage for education in Greece is very low. It is merely 8 percent compared to about 20 percent in European countries. On the other hand, the total amount of money spent for education represented 2-3 percent of the total balance of payments deficit during the 1958-1975 period.

The above are the conclusions given in the report on "Post-Gymnasium Education" prepared under the auspices of the Ministry of Education by a staff of professionals (G. Agrafiotis, Dr. Diakou, A. Doxiadis, A. Kalafatis, M. Karamanis, K. Kasimatis, G. Kondogiannopoulos-Polydoridis, A. Paterakis, P. Terlexis, and N. Tsaroukhis) under the direction of G. Psakhopoulos and A. Kazamias.

The cost of education is multi-dimensional. It may be private (paid, that is, by individuals), or social (paid by the state). It may be direct (as, for instance, the tutoring fees paid by individuals or the teachers' salary paid by the state) or indirect (as, for instance, the income a student earns during the years of attendance). Also, it can be that the cost data is based on actual expenses or simple budgets or even on the volume of the National Accounts.

This article gives the 1977 actual education expenses used for evaluating the efficiency of investments in education. It also gives tables based on various data sources or cost determinations.

TABLE 1

**CURRENT INDIRECT COST
PER STUDENT-PUPIL, 1977**

level and Type of Education	Cost per head (drachmas)
A. General Education:	
Elementary	8,551
Secondary	9,258
Higher	31,110
B. Vocational-Technical	
Lower	13,963
Secondary	35,848
Higher ^{KATE}	21,960
Higher (preceding KATE)	28,067
C. Teachers' Academies	8,551

Source: Analysis of data from report on the cost of education, appendix (. "The Cost of Education, tables 7 and 12."

TABLE 2

**AVERAGE COST PER STUDENT
BY CYCLE OF STUDIES**

Type of School	Cost per Student (drachmas)
University	32,157
Polytechnic ^{Engineering}	77,034
Economic and Political Sciences	9,911

Source: Appendix O, as above, table 3.

Cost per Pupil-Student

Table 1 shows the direct cost per pupil or student in all cycles of general education, in technical schools and teacher academies while in Table 2 a breakdown is given of the cost by cycle of studies for higher education students. On the one hand we have expensive polytechnic ^{Engineering} schools (cost: 77,000 drachmas per student) and on the other hand we have the low cost economic-political sciences schools (with a cost on the order of 10,000 drachmas). A comparison of the two tables shows that the average

cost per student attending these schools is on the same order as that in the secondary if not the elementary schools!

Budget Expenditures

a. Real expenditures; b. education expenditures as stated in the state budget; and c. expenditures resulting from the total volume of the national accounts.

TABLE 3

PERCENTAGE DISTRIBUTION OF THE REGULAR BUDGET
BY LEVEL OF EDUCATION, 1961-1976

Year	Supreme	Higher	Secondary	Elementary	Total
1961	6.8		21.7	71.5	100
1962	7.0		22.9	70.1	100
1963	7.9		23.6	68.5	100
1964	12.7		23.7	63.6	100
1965	13.2		25.3	61.5	100
1966	15.6		25.4	59.0	100
1967	14.2		27.3	58.5	100
1968	13.9		28.3	57.8	100
1969	14.0		28.5	57.5	100
1970	14.7		27.7	57.6	100
1971	14.1	1.0	25.7	59.0	100
1972	12.8	1.6	28.1	57.5	100
1973	14.8	1.9	27.3	56.0	100
1974	19.5	1.8	26.7	52.0	100
1975	22.1	2.8	27.7	47.4	100
1976	22.8	3.7	25.9	47.6	100
1977	23.4	3.3	28.3	45.0	100

Source: Study Group Report

This article deals with the second category. Even though the expenditures in this category are not 100 percent actual (due to the difference between the budgeted expenditures and the realized ones) their level reflects the importance the state attaches to education. On the other hand, the state budget percentage for education is one of the most sensitive indicators influencing public opinion as concerns the state's effort for education.

According to our analysis of the data, the percentage of the regular budget earmarked for education has fluctuated slightly between 1961 and 1977 and has stabilized at around 8 percent. The corresponding percentage in more advanced countries such as Belgium, France, and Italy is on the order of 20 percent.

The regular budget percentage invested in education increased considerably between 1961 and 1977 but the index fluctuates so much between years that it is impossible to ascertain if this percentage increased with the passage of time. The total amount invested in education is not fairly distributed among its various branches. A state, for instance, may spend a large percentage of its budget for education as a whole, but its distribution to the various sectors of education may not be the "right" one. We do not pass judgement here on such distribution. We simply present its historical evolution because we have in mind the typical case in many countries of the world where the budget for higher education is increasing while that for lower education is decreasing. We must also point out that the percentage earmarked for higher education has tripled (see Table 3).

TABLE 4

EXPENDITURES OF GREEK STUDENTS ABROAD
AS A PERCENTAGE OF THE BALANCE OF PAYMENTS

Year	%
1956	2.0
1957	2.4
1958	2.9
1959	3.9
1960	3.1
1961	3.4
1962	3.1
1963	2.1
1964	1.5
1965	1.2
1966	2.1
1967	2.5
1968	1.8
1969	1.6
1970	2.5
1971	3.1
1972	3.8
1973	2.8
1974	3.6
1975*	--

Source: For the years 1956-57, data taken from the National Accounts of Greece 1948-1970, p 116. For the years 1958-73 from the National Accounts of Greece 1958-74, pp 61, 62.

(*) Report by the Bank of Greece Study Group.

National Accounts

Due to their nature, the National Accounts appropriations for education are not comparable to the actual expenditures of the Ministry of Education nor with those of the budget since they include the expenditures by private institutions. These appropriations include a) the salaries of all persons working in public and private educational institutions at all levels (including also the private technical schools, tutoring schools, foreign language institutes, and so on) and b) the profits of the private educational institutions. They do not include non-income expenses for education such as are the investments (which appear as income in the branch of school construction), the cost of books, writing materials, fares, and so on.

When the income of this branch is expressed as a percentage of the gross domestic product of all branches, it becomes evident that in the past 15 years it was stabilized at around 3 percent.

The comparison between the three percentage expenditures in the three sectors of the economy--education, health and defense which are usually the objects of debate--shows a stabilization of these percentage expenditures in all three sectors (perhaps with a small rise in the 1974 defense budget according to the provisional data).

7520
CSO:4920

WEAPONS STOCKPILING IN TRONDALAG DEPENDS ON ROAD NET

Oslo AFTENPOSTEN in Norwegian 19 Sep 80 p 11

[Article by Terje Walnum]

[Text] Tromsdalen. The administration's suggestion that American weapon stockpiling be in Trondelag instead of North Norway, raises a series of questions regarding the purpose of the stockpiling. Among other things, it is justifiable to ask where the weapons and the American forces will eventually be used. Will a transport depot system, that ensures flexible utilization of these forces, be established?

Stockpiling in Trondelag can imply that American reinforcements are not at all planned to be used in North Norway. With that the fear exists that Troms and Finnmark can be considered lost beforehand. I am certain that the administration suggests increased military stockpiling in the north. But that does not automatically mean more Norwegian forces in North Norway. These forces must, after all, be removed from another task, and the defense in South Norway is already weak enough. If, in advance, professional American soldiers are put in the rear ranks, it will result in obvious weakening of the defense in North Norway.

If stockpiling in Trondelag would be combined with a streamlined transportation depots northward and in other directions, this reinforcement might gain increased credibility. The capacity of the present transportation network was debated openly earlier in the AFTENPOSTEN in connection with the transfer of south Norwegian units to North Norway. At that time, the military experts maintained that the transportation network did not have capacity at all to cope with the task.

How can the advanced stockpiling be utilized? Should the airports at Orlandet and Vaernes be enlarged radically, along with the expansion of receiving airports in North Norway? Should the road network northward be made independent of ferries and its capacity expanded? Should the train system be strengthened, and should it be extended north to Fauske? These are perhaps also current problems for the Norwegian forces, and there are no answers forthcoming.

The stretch from Trondelag to Narvik has the country's weakest and most vulnerable transportation network. The Soviet goal can be obtained by political pressure in peacetime by positioning reinforcements south of this obstruction.

It is too simple to argue that an airlift will solve the problem. This is a matter of transporting large quantities of materials, for example, vehicles, artillery, anti-aircraft defense, ammunition, tanks, rockets, supplies, fuel, etc., not to mention 10,000 men. The number of air cargoes would be insurmountable. Quick transportation therefore requires that the road-and train transportation network be radically updated. If this is the administration's plan, it should be clarified.

Without transportation depots, it is difficult to see any use for stockpiling in Trondelag. It implies a compromise of winning a political solitaire with weaker defense as a result.

9583
CSO: 8139/0030B

REPORTER VISITS STAVANGER COMMAND CENTER IN MOUNTAIN

On 10 AFTENPOSTEN in Norwegian 17 Sep 80 p 52

[Article by Knut Falchenberg: "War Headquarters Near Stavanger: Deep in the Mountain Ships And Airplanes Are Monitored"]

[Text] Stavanger 16 September. Not a sound, no light, no trace of hectic activities slips out of the mountain installation "Marops" in Stavanger. The hidden war headquarters are not marked on any ordinary map. No road-sign indicates the way. At least 50 meters of atomic bomb-proof mountain separates the headquarters from the rest of the world. But the well over 100 persons, who work here in 24-hour shifts for the NATO-exercise "Team-work", do not at all live an isolated existence. They direct or monitor everything; from American aircraft carriers to Soviet submarines.

The security around this command center is strict. Opposite to the usual practice in other military installation in Norway, the military police guards here carry loaded guns. When a visitor has passed through the guard post at the entrance and has begun the journey to the interior of the mountain, the "hole" is closed off by a steel gate and a new guard post. The gate opens electronically, and one is inside.

The center of all activities is the operation room, which stretches through three floors. One wall has a series of panorama windows. Through these windows the officers can observe everything that happens in the operation room from their offices.

The other walls are decorated with maps and charts from floor to ceiling. The maps are marked with symbols for vessels and airplanes that are located in and outside Norwegian waters. The charts give an outline of alien and allied forces. One can read which Norwegian vessels are battle ready, and which are in ship-yards. At a glance the duty officers can see the status of the Norwegian and allied vessels at any given time; or, for example, where a Soviet submarine of the Foxtrot-class was last observed. Reports are received here; decisions are made here in a second and a stream of orders dispatched from here.

--our main task, in short, is to direct Norwegian marine vessels in the waters south of the 65th latitude. In order to fulfill this job, we need good communications and a constantly updated intelligence picture, says the commodore for the Naval Forces in South Norway, Rear Admiral Gustav Steinler, to the AFTENPOSTEN.

Two Part Command

This command center is one part of the two part South Norway Defense Command. Vessels and Drive-in-aircraft on submarine or coastal surveillance are operated from Stavanger, whereas land forces and general air activities are operated from the Haukemann hills in Oslo. The plan is to combine those two installations under one mountain roof in Stavanger, a move that will probably cost over 100 million kroner. Admiral Steinler says that NATO is interested and has held out the prospect of international financing.

--the reason for gathering the whole South Norway Defense Command (PKS) here in Stavanger, is that many headquarters packed together in the Oslo area are seriously vulnerable. Militarily, a geographic spread is desirable. Besides, the communications conditions in Rogaland are better than in Oslo. We can talk to an aircraft from the Berents Sea all the way to the Mid-East, says Admiral Steinler.

This month, "Marops" is getting ready to house another organization, Norrtorp. In case of war, Norwegian merchant vessels will be taken over by this organization, which then will have its nerve center in Stavanger.

Soviet Follow Up

The exercise "Teamwork" has started and the regular staff at "Marops" has been more than doubled. Almost 200 vessels are participating, of which 36 are Norwegian, and 400 allied planes. During the exercises, representatives of the adversaries, "Orange" and "Blue", remain separated in "Marops". Even though the exercise was planned in detail during the last five years, the officers will still have operating flexibility and will be able to make independent decisions.

At 10 o'clock every day a so-called "briefing" is held, where the day's events are reviewed. A woman in Sorlandet has discovered a periscope during a tour on a motorboat. Research reveals that the submarine was West German. It is reported from Vestlandet that a torpedo gunboat needs repair. An officer announces that the Soviet Union has just as many submarines in the exercise area as expected. On the other hand, there are only three Soviet surface vessels in the area, as opposed to the normal double number. Besides, the Warsaw Pact has nine civilian reconnaissance ships that follow the NATO-exercise--which is two more than usual.

Besides, Soviet surveillance airplanes fly daily along the coast from the north to Trondelag and back again. Every other day they also overfly the

group of American aircraft carriers which are on the way to Norway. All these Soviet activities are considered normal.

New officers give their terse reports about the weather forecast; about communications working as expected; about American Orion aircraft and B-52 bombers in the Norwegian sea; about the British forces on land in Nordnore and about the electronic warfare which is a part of all exercises. All such information are analyzed and result in new decisions and orders that are dispatched.

5583
CSO: 8139

AMBASSADOR TO HANOI SEES DROP IN VIETNAM AID AFTER BAI BANG

Stockholm DAGENS NYHETER in Swedish 16 Sep 80 p 8

[Article by Kaa Eneberg: "Ambassador to DAGENS NYHETER: 'Bai Bang Project Will Be Concluded Despite Uncertainty'"]

[Text] Today, Thursday, the government will decide on new millions in catastrophic aid to flooded Vietnam. Other than that, from all indications Vietnam, formerly our largest recipient of aid, can only look forward to reduced Swedish aid or aid tied to certain conditions -- that the Vietnamese troops are pulled out of neighboring Cambodia and that the conditions of the minorities will be improved.

"Nevertheless, Vietnam can be said to have escaped rather unharmed as far as Swedish aid is concerned. Just think of all those Western countries which simply withdrew their aid."

This was said by Ragnar Dromberg, the Foreign Ministry official, who as of 1 October will be the new Swedish ambassador to Hanoi.

He is a manifestly capable official whose career in the Foreign Ministry and as head of the secretariat of the foreign policy committee in Parliament almost coincides with the colorful history of Swedish aid.

Modest Man

Ragnar Dromberg, 52, is a modest man who actually doesn't want to be interviewed at all.

He cautiously notes that there is generally agreement in Parliament concerning Vietnam's presence in Cambodia.

"Both the government and the opposition have condemned it," Ragnar Dromberg says and gallantly quotes Olof Palme's expression of regret from the speaker's podium in Parliament, that Vietnam has "gotten stuck in the tragic role of occupying power."

It comes naturally to him to speak in terms such as "prop 68:100."

And he does so with obvious pride.

This is the proposition which in 1968 after many battles established that during the 1970's Sweden will donate one percent of its GNP to the underdeveloped countries.

As a Foreign Ministry expert he participated in the writing of this and as a Parliamentary official he helped pilot it through to approval.

When in 1962 he was first attached to the Foreign Bureau of the Foreign Ministry in order to deal with aid one was generally inexperienced as regards aid to the underdeveloped nations.

"I didn't particularly want to come to that department, but once there one was captivated by the issues," Ragnar Dromberg says. He stayed for 8 years.

He worked with an enthusiastic group of five persons under Social Democratic ministers Alva Myrdal and Ulla Lindstrom on, among other things, the education of refugees and education of African women.

Ragnar Dromberg points out that at that time aid was something of a political stepchild.

The Department of Finance didn't always show understanding.

But at the same time it was rewarding, since one was riding a wave of enthusiasm even in the general public.

He points out, not without a certain amount of satisfaction, that Sweden internationally promoted issues of aid and fought for things that were taboo, such as family planning.

Glimped a Little

Of the Vietnam drama, as he himself calls it, he glimpsed a little when he was stationed as a diplomat in Paris from 1969-71. At that time the peace negotiations between North Vietnam and the United States were in progress under great secrecy.

Concerning his own attitude toward Vietnam he states that he "did not exactly fight on any barricades." To the question of whether this was due to a lack of desire or due to his Foreign Ministry position he confesses "that it was probably the latter."

Bai Bang Completed

As someone involved in aid he hopes to see the controversial Bai Bang project actually accomplished.

He points out that the first paper machine and power plant will become operational this fall, and this winter it is hoped that two hospitals, which Sweden helped finance, will be dedicated.

All Arguments

As head of the secretariat, that is to say as an official of the Foreign Committee in Parliament, he has heard all the arguments for and against Bai Bang.

"The realization of Bai Bang is important to the entire future attitude of Sweden toward aid," he states.

"It must not turn into a remnant of aid that just lies there."

Uncertain Future

No one knows what the future holds for aid to Vietnam.

Ragnar Dromberg is sitting in the empty House of Parliament flipping through SIDA's [Swedish International Development Agency] new, not yet approved situation review, which involves many ifs and buts for the future aid to Vietnam.

It contains criticism of the troops in Cambodia and of the domestic policy which has driven large minority groups to flee -- the so-called boat people.

For the time being Vietnam cannot count on any new Swedish project in the next few years. What we have committed ourselves to with the operation of Bai Bang and the hospitals consumes the entire so-called aid framework --365 million crowns for this year and probably for the next few years as well.

This fall the Vietnamese are expected to sign the new aid agreement which guarantees Swedish aid to operate the projects for the next few years.

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POLL SHOWS VOTERS LACK CONFIDENCE IN MOST PARTY CHIEFS

Stockholm SVENSKA DAGBLADET in Swedish 22 Sep 80 p 4

Article by Claes-Goran Kjellander: "Confidence Declining Among Parties' Own Voters"

Text Fewer than half of the voters in the Social Democratic, Center and Liberal Parties believe that their own party leader inspires great confidence.

This is shown by a poll taken by SIFO Swedish Institute for Public Opinion Polls for the SVENSKA DAGBLADET. The poll also shows that the confidence of the Conservatives and the Communists in their respective party leaders is increasing. More than 75 percent of the Conservatives think that Gosta Bohman inspires great confidence.

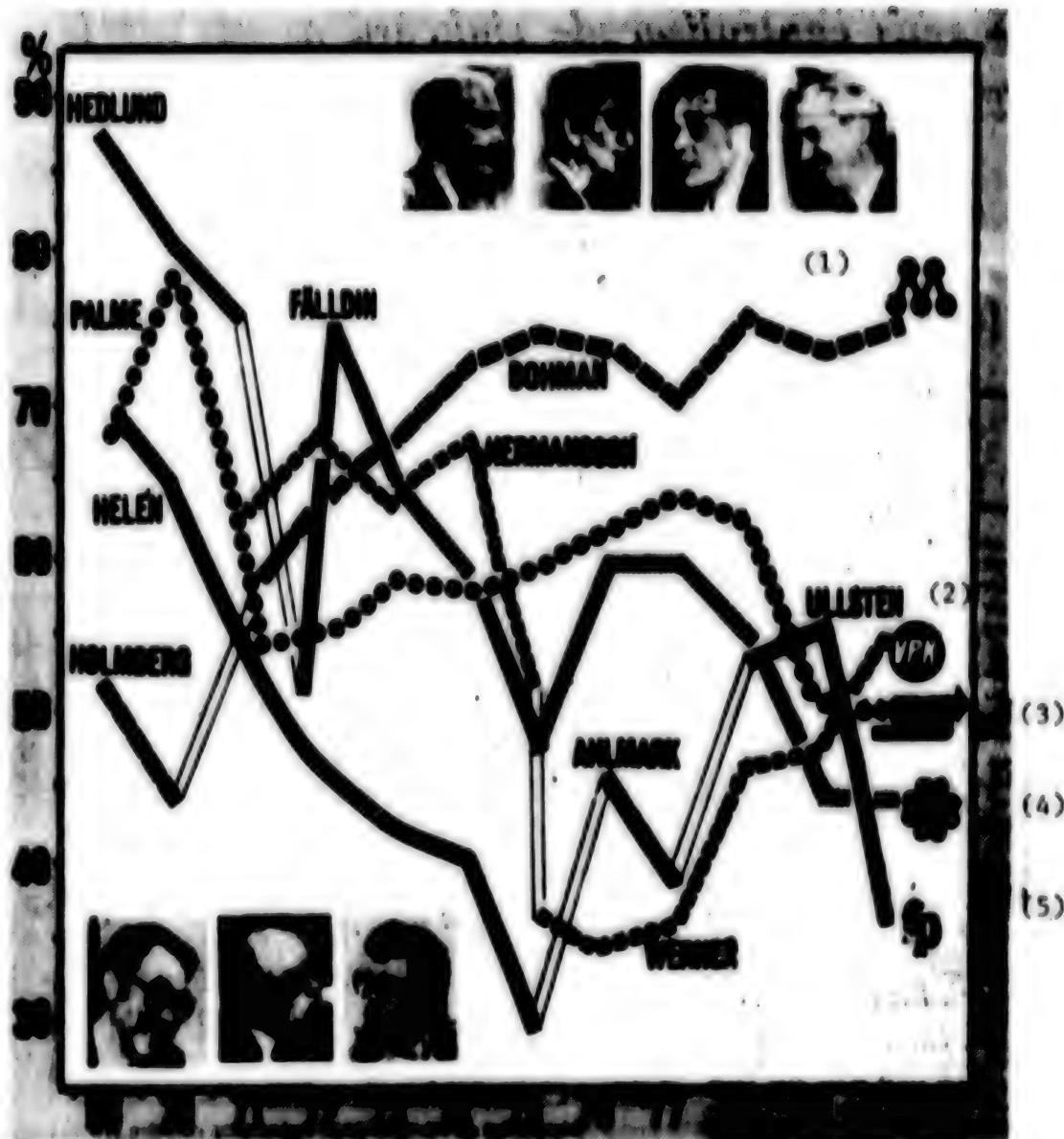
A SIFO poll of the confidence of all the voters in the five party leaders was presented in Sunday's SVENSKA DAGBLADET. The poll presented today thus reflects only confidence in one's own party leader.

SIFO's question concerned whether one's own party leader inspires great confidence, neither great nor little confidence or little confidence.

All-Time Low

Gosta Bohman thus gets a little more than 75 percent "great confidence" replies, 55 percent of the VPK Left-Party Communist voters have great confidence in Lars Werner, while Olof Palme for the first time gets less than 50 percent; 48 percent of the Social Democrats believe that he inspires great confidence.

The corresponding figure for Thorbjorn Falldin is 43 percent and for Ola Ullsten 37 percent, all from the latest measurement in August. As is evident from the diagram, it has never happened before that three established party chiefs have been so low on the scale of confidence. Party leaders who registered below 50 percent were either on their way out of party leadership or had recently taken over the post.



The strongest support in his own party during the 1970's was recorded by Gunnar Hedlund (Center Party), Olof Palme (Social Democrats), Thorbjörn Falldin (Center Party) and Gosta Bohman (Conservative). Three Liberal Party leader showed the weakest base: Gunnar Helen, Per Ahlmark and Ola Ullsten.

- Key:
- 1. Conservatives
 - 2. Left Party-Communists
 - 3. Social Democrats
 - 4. Center Party
 - 5. Liberal Party

Great Fall for Ullsten

The change is most conspicuous for Ola Ullsten -- a year ago he was the party leader who after Costa Bohman occupied the strongest position among his own sympathizers.

Liberal Party leaders have had obvious problems with inspiring confidence among their own voters during the 1970's. To be sure, Gunnar Helen began at a high mark -- nearly 70 percent -- but later he dropped rapidly. When he stepped down after 5 years as party leader only 33 percent of the Liberal voters thought that Helen inspired great confidence. No party leader has slid lower than that in the SIFO polls.

Per Ahlmark began at 45 percent but dropped to 39. Ola Ullsten started out above the 50-percent level and rose to almost 60 before the great fall began.

Costa Bohman, on the other hand, has seen his confidence capital with the Conservative voters grow each year, except for a drop in 1976. He started at almost 60 percent, and during both three-party governments the confidence curve shot up above 75 percent.

For Thorbjörn Falldin the curve looks like a real roller coaster. After a cautious beginning at a little over 50 percent Falldin after only 1 year reached his predecessor Gunnar Hedlund's level of around 75 percent. In 1975 the curve was once again down to the initial level but then again turned sharply up to more than 60 percent when the three-party government came to power in 1976 with Falldin as prime minister. Since then things have only gotten worse, down to today's record-breaking low figure for the prime minister.

Discouraging

The development is equally discouraging for opposition leader Olof Palme. When he took over as party leader 67 percent of the Social Democratic voters believed that he inspired great confidence, and 1 year later nearly 80 percent were of this opinion. After a sharp decline the curve stabilized and showed a slow but tangible improvement of Olof Palme's confidence capital during his entire period as prime minister.

However, this upturn was interrupted when the Social Democrats fell from power. Since Olof Palme became leader of the opposition the figures have steadily declined, from more than 60 percent to the bottom figure of 48 percent in August.

Erlander at the Top

Even if Costa Bohman's score seems comparatively high it is still considerably lower than the confidence figures attributed to Tage Erlander and

Gunnar Hedlund during the 1960's. Erlander inspired great confidence in 93 percent of the Social Democratic voters before he stepped down. Gunnar Hedlund as well was close to 90 percent, but his figure dropped during his last year as party leader.

Carl-Henrik Hermansson inspired great confidence in 73 percent of the VPK voters before he announced his imminent resignation from the post of party leader.

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UNION STUDY: WORKERS LOST GROUND DESPITE GENERAL STRIKE

Stockholm SVENSKA DAGBLADET in Swedish 20 Sep 80 p 25

Article by Brita-Lena Ekstrom: "Result of This Year's Wage Increase: Buying Power Dropped 3.5 Percent"

Text Five months after the major conflict the gloomy result for 1980 is now available: The buying power of the wage earners will decline by up to 3.5 percent this year.

The wage increases of last spring are being consumed by price increases, the value-added tax and the selective purchase taxes. Already, before the government's economy plans have had time to take effect, fresh SACO/SR [Swedish Federation of Professional Associations/National Federation of Government Employees] calculations show how great the expected deterioration in buying power will be. The wage earners will lose between 2 percent and 3.5 percent buying power in 1980.

All wage earners lose buying power, although the lowest paid manage somewhat better. With a monthly income of a little more than 5,000 crowns, that is to say the position of a state-employed office worker, the buying power declines by 2.1 percent. For someone who earns 7,000 crowns a month or more the loss is an average of 3.5 percent. Municipal employees lose a little less, mostly due to the fact that their wage agreement was slightly higher than what the other public employees received last spring.

The SACO/SR calculations regarding the development of purchasing power for public employees are based on what the collective bargaining last spring yielded, including the one-time amount and the two extra increases which will come on 1 December this year. For it is already clear that prices will increase so sharply that the wage earners will automatically receive 1 percent extra wage increase. The consumer price index is expected to surpass the ceiling (comparison figure 571) as early as September. The compensation for the industrial workers' wages will be 0.8 percent. That wage increase will also take place on 1 December.

Furthermore, the analysts at SACO/SR have calculated how the value-added tax, the selective purchase taxes and changes in the tax rates as well as

the adjustment tied to the cost-of-living index will affect the development of buying power. The value-added tax and the selective purchase taxes alone will increase prices by 3.5 percent this year and are responsible for slightly more than half of the deterioration, says Tuve Lindeberg, head of SACO/SR's department of statistics.

This year's decline comes after a temporary improvement for the members of SACO/SR last year.

"Between 1978 and 1979 we did well with the members' buying power after several years of negative development with an average of 3 percent loss in buying power each year since 1975."

For certain groups this gloomy picture can be brightened somewhat through special wage increases in local negotiations. Others will be moved up a few salary grades, for example social assistants, librarians, physical therapists, counsellors and work therapists. The described development in purchasing power only concerns general wage increases, so-called wage plan measures.

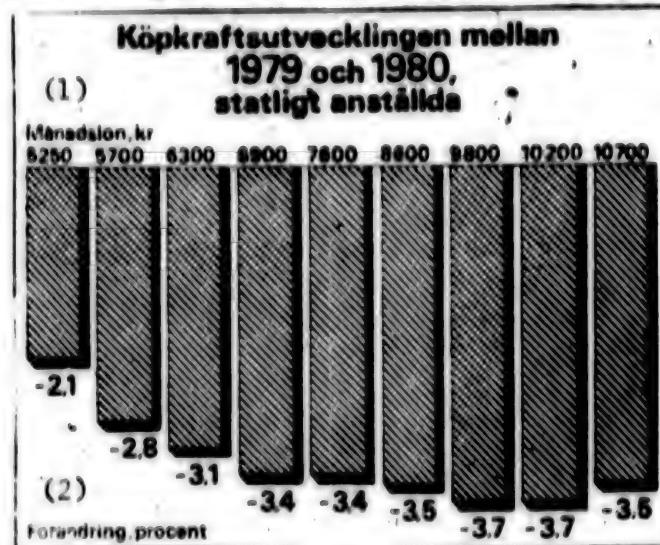
Even private employees lose purchasing power. The effect is more difficult to calculate since the local negotiations are far from over. But since their wage agreement yielded a little less than those of the public employees, this indicates that perhaps they will lose a little more, Tuve Lindberg says.

If in 1980 the wage earners had had unchanged purchasing power in comparison with 1979, up to 10 percent more gross wage increase would have been required for the highly paid in SACO/SR's membership. And in order to cope with next year's buying power at least a 10 percent gross wage increase on the average will be required for all income levels from 40,000 crowns to 200,000 crowns annually. This is on the condition that inflation remains at 10 percent in 1981 and with a municipal tax increase of 50 ore, as has been announced.

Without the present adjustment to the cost-of-living index, which favors the highly paid and which has been sharply criticized by the LO [Swedish Federation of Trade Unions], among others, the next collective bargaining would involve shocking wage increases. The SACO/SR would have to mount demands for 25 percent more wages in order to cope with the purchasing power of the members.

(table on next page)

Development of Purchasing Power Between 1979 and 1980, State Employees



All wage earners will have less to spend. The columns show the loss of purchasing power for each income level. Buying power is calculated on last spring's agreement plus the wage increases which will take place in December, the value-added tax, the selective purchase taxes, the changes in the tax rates, the cost-of-living adjustment and municipal cost sharing.
(Source: SACO/SR's department of analysis.)

Key: 1. Monthly salary, crowns
2. Change, percent

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FORECAST INDICATES EXPORT DECLINE IN 1981

Stockholm DAGENS NYHETER in Swedish 30 Sep 80 p 30

[Article by Jan Magnus Fahlstrom]

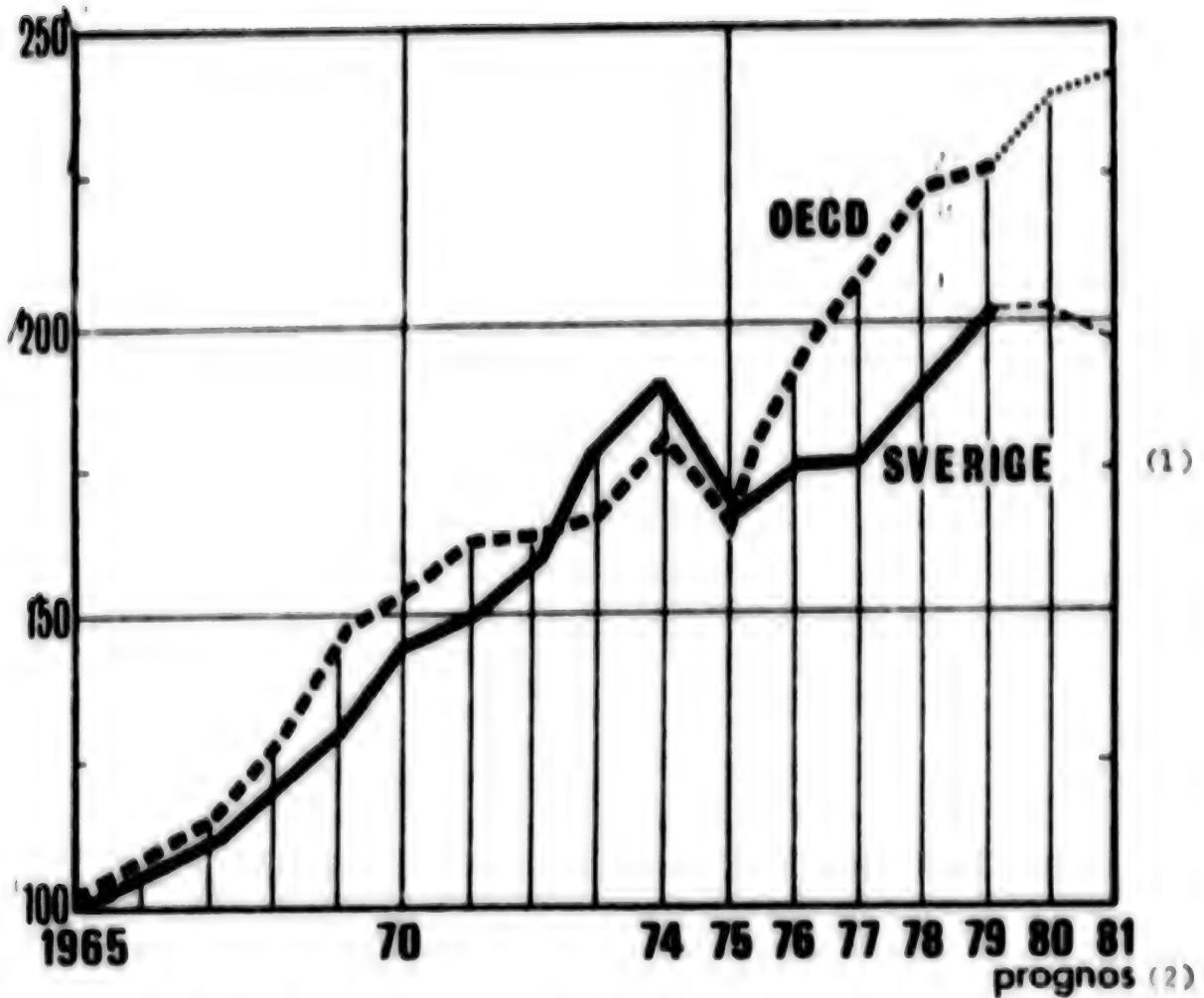
[Text] The upturn in Swedish exports will largely taper off this year and a decline is expected in 1981. That is the way things will go according to a forecast shown by the dotted line farthest to the right on the curve for Sweden in the graph below. The forecast was made by the economic secretariat of the Handelsbank. The results were published in the periodical, AKTUELL EKONOMI.

This is a sharp decline on contrast to earlier predictions. In the revised national budget from this spring it was predicted that exports would increase 5.8 percent in 1980 and 3.6 percent in 1981 (all in volume terms, in other words ignoring price changes).

Since then the basic conditions have changed, among other things due to the forecast published this summer by OECD, the cooperative organ of the western industrialized nations. It foresaw a lower growth in the OECD area in 1980 and the first half of 1981 than had been anticipated previously.

But Budget Minister Rolf Wirtén still cited in his bill on an increase of the value-added tax from the end of August a 1980 export increase of 3.8 percent. (He cautiously refrained from saying anything about what might happen in 1981.)

But according to the Handelsbank forecast exports will stagnate in 1980 and decline in 1981. And the calculation method used in reaching this conclusion has proved in the past to coincide closely with actual developments.



Export of Goods and Services

Volume Index in Swedish kronor 1965=100

Key:

1. Sweden

2. Projected

Exports

The two main components of the forecast are these:

1. The anticipated growth in the Gross National Product (GNP) of the various OECD countries weighted so that a country weighs more in relation to its importance as a buyer of Swedish exports. This gives some indication of how big demand might be for the kind of goods and services Sweden exports.

2. Sweden's cost situation per unit produced compared with that of other OECD countries weighted in the other direction. This gives a measurement of the capacity of our competitors.

The curve for OECD in the graph shows total exports by OECD lands including Sweden. Like the curve for Sweden it includes all exports even those going to countries outside the area. (Note that exports from countries outside OECD--OPEC nations, developing countries, state trade lands and so-called new industrial countries--are not shown on the graph.)

The two curves together show among other things that Swedish exports in 1976 and 1977 increased more slowly than exports from the whole OECD sector. That is usually expressed by saying that "we lost a share of the market." In 1978 Sweden managed to hold its own more or less and in 1979 we consolidated this lead.

Gap Widening

But according to the forecast for 1980 and 1981 the gap is widening again. Sweden will lose a share of the market once more.

There are various possible explanations for this. Here are a few.

Sweden's cost situation within OECD has deteriorated.

But this explanation does not hold water. The forecast is based on the assumption that Sweden's cost situation will not change in 1980 and 1981 in relation to costs in other countries. If this assumption proves to be incorrect the forecast will have to be revised and the picture will be even gloomier.

The OECD countries that weigh heavily in the area of Swedish exports have a poorer GNP growth rate than the area as a whole. This makes our export market extra difficult.

This explanation is hardly valid for 1980. Growth this year is higher in West Europe than in OECD as a whole and it has been comparably high in countries of importance to us such as Norway, Finland and West Germany. But growth in Europe is expected to be below the OECD average in 1981.

Sweden is more affected than other OECD lands by the stiff competition on the world market from the new industrial nations.

It is hard to find any good reasons why this should be the case--under the given assumption that our relative cost situation within OECD will not deteriorate.

Goods in Stock

Our exports are especially sensitive to market declines.

This explanation may have some validity in view of the fact that stocks of such things as pulp, paper, wood products and steel usually function as a fan during market fluctuations.

But this hardly gets full support from the "historical" part of the graph. And the current market decline is characterized by relatively small backlogs of products.

Sweden is less diligent than other OECD countries in capturing new high-spending and expanding markets such as the oil nations.

This is true. There is support for this in Marian Radetzki's book, "Sweden and the Third World."

Our industry lags behind in expansion tempo and in adjustment to changed market conditions so that we have a hard time "keeping up" with OECD--despite the fact that we are relatively high in our ability to utilize the capacity we have.

It is not easy to get around that explanation. In combination with Sweden's big deficit in the balance of trade it naturally lends support to today's somewhat unoriginal demand for more room for industry in the national economy. And to the idea that it is not enough to maintain our relative cost situation at the same level, we should be trying to make it lower.

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'L'OPINION' INTERVIEWS ILTER TURKMEN

Rabat L'OPINION in French 21 Sep 80 pp 1, 3

[Interview with Turkish Foreign Affairs Ministry Secretary-General Ilter Turkmen by Anas Lahrichi, special correspondent at Fes: "Power Takeover By Military Has Nothing to Do With NATO Maneuvers"]

[Text] The Turkish military leaders seized power at the moment NATO maneuvers were taking place on their territory. This coup d'Etat also happened at a moment when Turkey experienced bloody clashes between parties and rival clans. Finally, it happened at a moment when Turkey was in the process of moving closer to the Muslim world and when it was ready to adopt positions favorable to the Palestinians and their organization, the PLO. Coincidence?

L'OPINION: What are the repercussions from the latest political changes that have taken place in Turkey regarding the attitude of Ankara toward the Muslim world?

Ilter Turkmen: I had an opportunity, during the work of the conference, to stress the fact that the Turkish armed forces seized power without this in any way affecting Turkey's prior policies. In particular, its relations with the members of the Islamic Conference will continue to develop. Turkey always considered solidarity and cooperation between all countries participating in the Islamic Conference to be very important.

L'OPINION: How do you explain the fact that the United States was one of the first countries to recognize the new regime?

Ilter Turkmen: First of all, one must emphasize immediately that the United States is not the first country to have recognized the new regime. Recognition of that new regime was implicit and immediate for all countries.

L'OPINION: Certain reports emphasize the fact that Turkey withdrew only one of the two consulates which it has in Jerusalem. Is that so?

Iltır Türkmen: That is not at all correct. Turkey only had one consulate in Jerusalem and it is the one it closed down.

L'OPINION: What specific measures were proposed by Turkey within the Islamic Conference?

Iltır Türkmen: We concentrated our discussions, upon the request of other delegations, on the working documents presented by a certain number of countries.

L'OPINION: What is your opinion on the working documents submitted by Morocco?

Iltır Türkmen: I think that the Moroccan working document constitutes a very constructive summary of all viewpoints expressed during the conference and at the same time reflects an attitude that is both energetic and realistic on the part of our Moroccan partner.

L'OPINION: What is the position of the new Turkish regime regarding the policy of the Jihad proposed by members of the Islamic Conference?

Iltır Türkmen: I now believe that the notion of the Jihad was further elucidated. This is a group of measures of an economic and psychological nature to get Israel to desist from its stubborn attitude.

L'OPINION: The resolution drafts express an action aimed at the expulsion of Israel from the UN. What is your feeling on that subject?

Iltır Türkmen: I believe that this is an issue which will be further discussed in other forums and it would therefore be premature to express an opinion in the current state of affairs.

L'OPINION: Getting back to the situation prevailing in Turkey, can one give any reasons for the conduct of NATO maneuvers at the moment the new regime came to power?

Iltır Türkmen: The conduct of these maneuvers at the moment the military took power was a pure coincidence. The troop movements implied in these maneuvers by the way had very little significance in relation to the operation conducted by the Turkish military leaders in assuming power.

L'OPINION: How do you interpret the withdrawal of the Belgian troops from the NATO maneuvers?

Iltır Türkmen: Each country is free to make decisions concerning its own participation in any maneuvers. Belgium chose not to send troops for these operations. It justified this decision with arguments of a financial nature and in terms of domestic politics.

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DATE FILMED

October 31, 1980

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